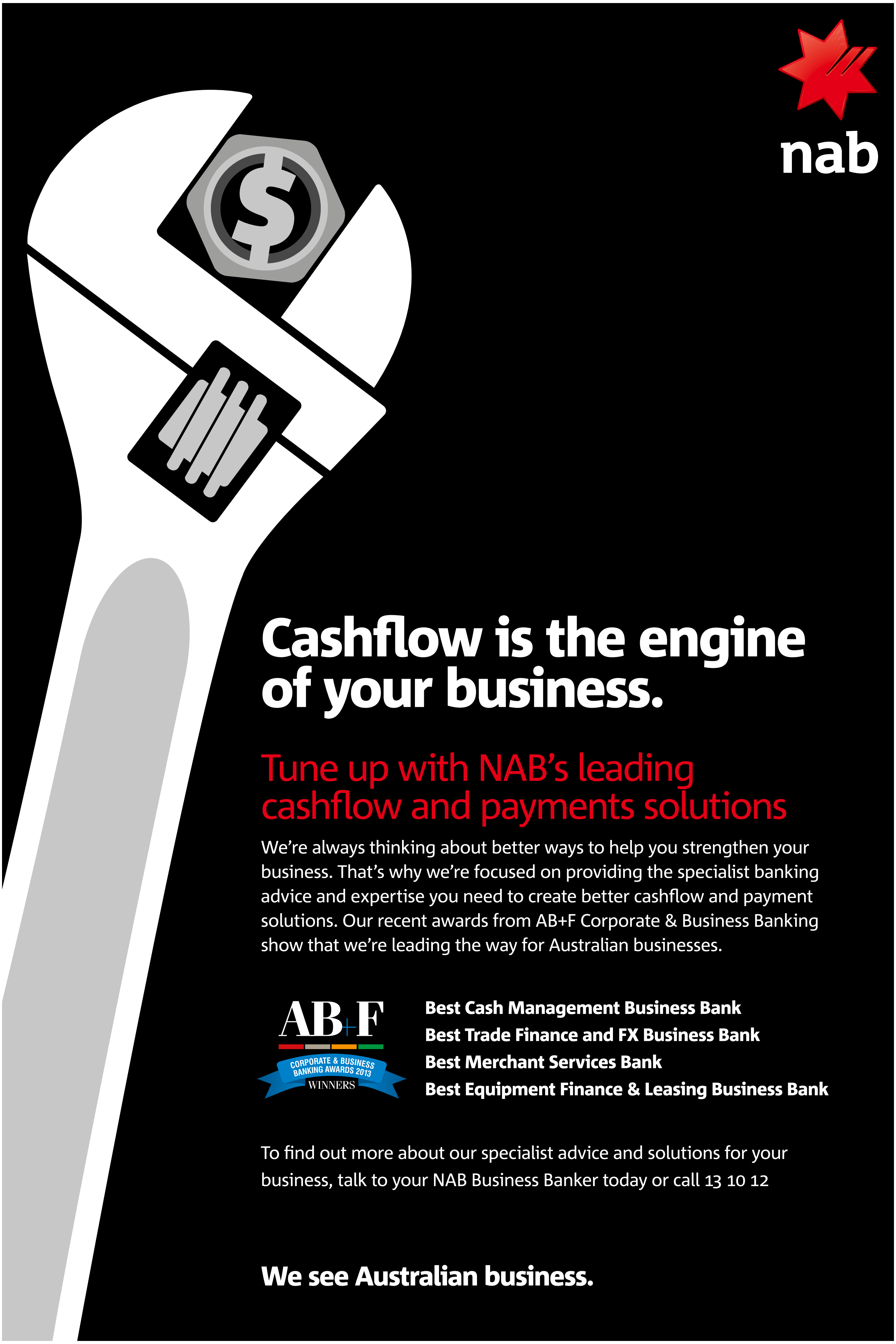
more give, less take

nab

Sector Insights:

Corporate Finance Insights

September 2013


nab
Cashflow is the engine of your business.
Tune up with NAB's leading cashflow and payments solutions
We're always thinking about better ways to help you strengthen your business. That's why we're focused on providing the specialist banking advice and expertise you need to create better cashflow and payment solutions. Our recent awards from AB+F Corporate & Business Banking show that we're leading the way for Australian businesses.
AB+F
CORPORATE & BUSINESS BANKING AWARDS 2013
WINNERS
Best Cash Management Business Bank
Best Trade Finance and FX Business Bank
Best Merchant Services Bank
Best Equipment Finance & Leasing Business Bank
To find out more about our specialist advice and solutions for your business, talk to your NAB Business Banker today or call 13 10 12
We see Australian business.

Welcome

Peter Stephens
Head of Capital & Ratings Advisory, NAB Advisory

Welcome to the September 2013 edition of the Corporate Finance Insights report. In this edition we are pleased to present a 'back to basics' approach with a focus on working capital management and the value that can be unlocked in its management.

Most corporate finance managers would agree, working capital may not be as glamorous and share the same appeal as merger and acquisitions, divestitures and corporate development. However, equal in importance, the impact of efficient working capital management within an organisation can deliver benefits far beyond liquidity and risk management and can be a key enabler for growth.

The issue of working capital is prominent across all industry sectors. While the challenge businesses face maybe at different points across the supply chain, the overall objective is the same – optimise efficiency by reducing the capital employed.

In this edition, we are fortunate to gain valuable perspective from two industry leaders. Shane Gannon - Chief Financial Officer at Goodman Fielder shares his view on the challenges facing the fast moving Food, Fibre and Beverage industry and some of the initiatives Goodman Fielder has undertaken to enhance its competitive position. Oliver Belin - Director Marketing at PrimeRevenue provides us with some insight into the benefits of Supply Chain Finance, and some forward looking thoughts on product demand and innovation.

In addition to our client perspectives, some of NAB's specialists have provided their insight into the major trends and opportunities for working capital management. The compilation of articles in this edition is sure to address what is on the minds of the CEOs and CFOs of Australia's largest corporates.

We trust that you enjoy the latest instalment of our Corporate Finance Insights report and, as always, welcome any feedback you might have on these articles or a future edition.

Yours sincerely

Peter Stephens
Head of Capital & Ratings Advisory,
NAB Advisory

In this issue

Creating value through working capital efficiency

Dinush Kurera
Associate, NAB Advisory

Ben Matigian
Director, NAB Advisory

Karin Mowlem
Associate, NAB Advisory

Khoa Vu
Associate Director
NAB Advisory

In the face of continued challenging economic conditions, CEOs of our largest corporates are focusing more attention 'inwards' on the controllable aspects of their organisation to find efficiencies and drive value. While COOs have all adopted lean operating models, our CFOs have been focusing on repairing/ strengthening the balance sheet.

Post the global financial crisis, investors and therefore CFOs have maintained their focus on lowering leverage, diversifying the capital base and extending the weighted average debt maturity profile. Following the successful completion of these tasks and coupled with a benign growth environment, CFOs are in search of alternative avenues to deliver value back to shareholders.

In the good times, inefficient working capital management systems were masked by strong growth and corporate activity. As a result, inventory levels built up and receivable days were extended, both of which were generally funded with debt.

In simple terms, working capital represents cash that is encumbered in the business that could otherwise be spent reducing debt, funding an acquisition or growth plans, or returning value back to shareholders. It is the cheapest source of financing and can enable a company to grow without additional external financing.

Cash is still king

Improvements to working capital can be achieved by reducing the overall invested capital in the business and making the operating assets work harder. That is, corporate managers can seek to call in overdue debtors, stretch out their own payment terms, and trim inventory levels. Managers that are not focused on these basic principles may not be running the business to their full potential.

"In simple terms, working capital represents cash that is encumbered in the business that could otherwise be spent reducing debt, funding an acquisition or growth plans, or returning value back to shareholders."

Of course, this is much easier said than done. Often managers are faced with more complex operational issues that originate from sub optimal controls and monitoring systems within the supply chain, lack of cash flow visibility and most importantly, a lack of cash awareness across the organisation.

The most efficient corporate performers show that getting back to basics is usually the best approach. Corporate managers can start with things that can be controlled within their business such as the processes of sales and planning, through to procurement and manufacturing. Defined policies and controls around the billings, collections and payments processes can ensure a disciplined approach and lead to greater visibility in cash flows. If there are deficiencies in the business, the controls in place should be able to identify the problem.

Most importantly, corporates need to develop a sustainable improvement culture around working capital performance. A common strategy adopted among the most efficient performers is one of accountability. Instead of remunerating corporate managers for earnings growth, managers are now charged for the cost of capital. That is, they are made to pay for the use of the balance sheet. The trade off between assets and returns becomes much more tangible for each business unit.

Observed trends in the Australian corporate market

The following analysis applies information from ASX200* companies for the period commencing FY2009 to FY2012. The average cash conversion cycle indicates a trend towards working capital improvement, reducing by 3 days to an average of 30 days from FY2010. This represents total cash savings of A$2.5bn by Australian corporates since FY2010, which would otherwise be tied up on balance sheets. As evidenced by chart 1 on page 3, the key driver of the working capital improvement is the shortening of receivable days, whilst inventory and payable days have remained relatively flat for the same period.

Compared to companies in the UK, Australian corporates seem to display a higher level of efficiency with respect to the management of working capital. On average, the cash conversion cycle in Australia is 30 days compared to 47** days in the UK. The biggest difference relates to payable days where the UK trails Australia by approximately 27 days. This may be due to the more competitive nature of the UK industries, compared to Australia, and its greater reliance on international trade, given the closer geographic proximity to major trading partners.

Working capital days also vary across sectors due to the different business models in which companies operate. For example, the Materials sector traditionally will hold larger inventory levels, due to longer processing and manufacturing times, whereas the Utilities sector holds little to no inventory and benefits from longer own payment terms.

On a sector-by-sector basis, the observation over the analysed period suggests that the strongest working capital performers are, in fact, from the more cyclical industries i.e. Materials and Retailing. The benefits of the working capital improvements in these sectors can partly be attributed to the renewed focus of management on improving commercial terms and process optimisation. These simple tools are seen as key value drivers for management in the absence of underlying revenue growth.

The improvement in working capital within the Materials sector is largely driven by the ability of companies to extend their payable days from 68 days in FY2010 to 78 days in FY2012. In quantifiable terms, this translates to $907 million of cash savings. The Materials sector includes sub categories for Building Materials, Chemicals and Fertilisers. Among the sub categories, the Fertiliser industry appears to be the stand out winner, demonstrating strong and consistent improvement within recent years.

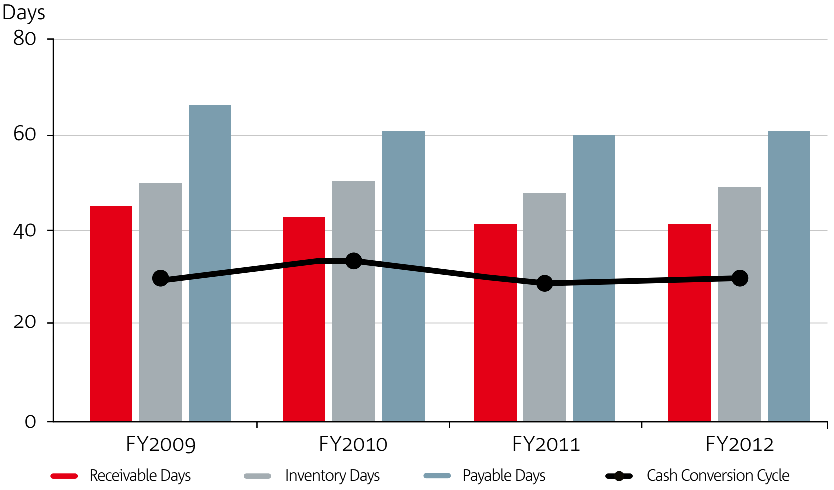
Room for improvement

The trend for Australian corporates is clearly improving, however more work can be done, particularly in the sectors of Resources and Information Technology, where working capital efficiency levels have been trailing the broader aggregates. As corporate Australia continues to face economic uncertainty and a more challenging funding environment, working capital efficiency will become more important, as it can be a key enabler for growth.

Taking a more strategic approach to working capital management can help to bring about benefits beyond greater liquidity and reducing debt levels. It may also provide the flexibility for better growth and investment, and increasing shareholder wealth, through dividends.

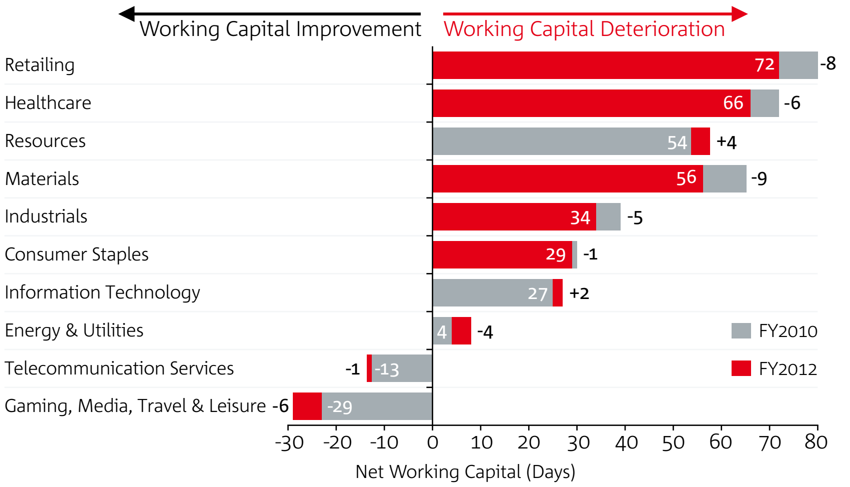
* ASX200 excludes the Financials sector and some Resource companies due to data inconsistencies.
** Working Capital - the £64 billion question, Deloitte, May 2012.

Chart 1: ASX200 average cash conversion cycle



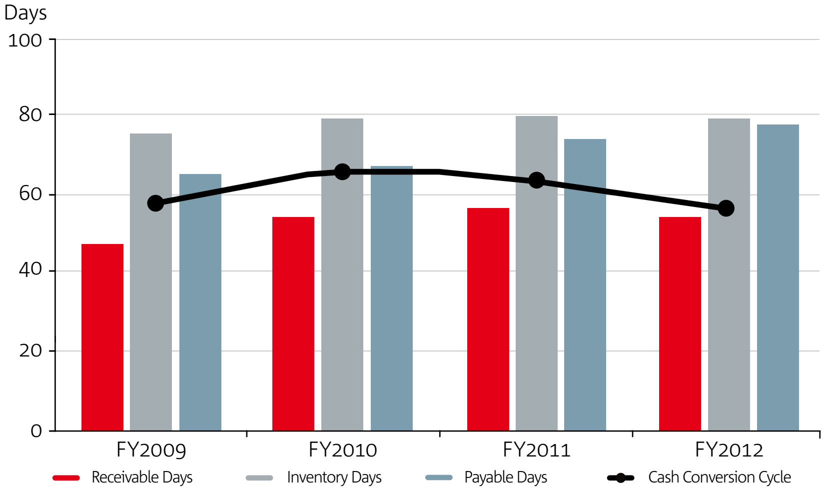
Source: S&P Capital IQ; NAB Analytics.

Chart 2: ASX200 average cash conversion cycle across sectors from FY2010 to FY2012



Source: S&P Capital IQ; NAB Analytics.

Chart 3: Materials sector average cash conversion cycle



Source: S&P Capital IQ; NAB Analytics.

Putting your capital to work

Shane Gannon
Chief Financial Officer
Goodman Fielder

In a post global financial crisis world, effective management of capital has become an urgent priority for all businesses. Shane Gannon, chief financial officer at Goodman Fielder, explains how working capital initiatives are creating value for his business.

Why is working capital so important to Goodman Fielder and other Australian corporates?

Working capital is an extension of broader capital management – the importance of this part of the business was heightened through the global financial crisis (GFC), which provided a timely reminder for businesses to ensure they were effective in their capital management. It became the number one issue for boards, together with companies managing their banking relationships. Prior to the GFC, it was open season in terms of access to capital, but in this new season of heightened awareness, everything is up for debate and we should be challenging the status quo on working capital.

In an environment of subdued consumer sentiment we see a notable increase in CEO and CFO focus on the controllable aspects of their businesses to find efficiencies. What initiatives have Goodman Fielder implemented to enhance their working capital position?

I've applied the same principles we used at CSR, centralising a lot of activity, including management of payables and receivables, procurement contacts and getting the best deals and terms. The key aim has been to get real consistency across the business, applying the same rules across the organisation, rather than having different divisions deciding things on a discretionary basis.

It was challenging and the compliance process initially created some tension but it really worked. We saved a lot of money by changing behaviours and creating consistency across the organisation.

"Our priority is making sure we are getting appropriate value from all areas of sourcing. In manufacturing we are focused on making sure we have the optimal footprint."

Goodman Fielder recently announced its strategy to enhance the competitiveness of the business. One stream of this project included Manufacturing and Supply Chain Optimisation. How are you progressing?

Our priority is making sure we are getting appropriate value from all areas of sourcing. In manufacturing we are focused on making sure we have the optimal footprint. In terms of driving consistency, it's all about having a clear definition of performance and ensuring all manufacturers meet those standards.

We are well on the way; we've centralised a lot of supply and operations activities and created clear line of sight on the operational performance measures applied to each site. So we now have identical definitions around performance and tracking.

We've been on this track for 12 months and have committed to our board that we will demonstrate the benefits of the program over the next 12 months.

As an extension of that program we have committed to investing in key manufacturing sites so we can improve operating performance. Like many organizations, we have been very careful about restructuring investment into existing assets in the post-GFC environment. We have strengthened our balance sheet and now have the capability to invest and improve operating performance of those assets, in parallel with our operating guidelines.

Given the global nature of Goodman Fielder's business, what additional complexities does this bring to working capital management?

Different jurisdictions have different interpretations of what is acceptable. As an example, trading terms in New Zealand are different to those in Australia and Asia.

It is important to understand that and be positioned to manage the differences. As much as we possibly can we establish standards across the group. We manage cross-border compliance through local management but we apply rigour and standards across the whole group so everyone has the same understanding of what we're trying to achieve in working capital management.

Are there any aspects of working capital management that Goodman Fielder views as increasingly challenging and how well do the solutions currently offered by banks deal with these challenges?

Across every industry in Australia margin pressure is a major challenge. That pressure is continuous, and it applies to both sell price and trading terms. We are not a bank and trying to balance our customers' needs and our requirements is always a point of tension.

But the banks are very helpful. We've improved our credit metrics dramatically over the last two years, and banks are keen to support us where they can. They are proactive about coming to us with appropriate products and showing us the available options.

What do you see as key success factors in terms of working capital management?

Challenging the status quo is critical. We need a business environment where business practices can be challenged and improved. For example, if you are trying to reduce your level of inventory but equally trying to ensure you don't create frustration for the customer, rather than assume you have an optimal environment, it's healthy to scrutinise the way you operate so you end up with the best outcome for both parties.

How important is it to Goodman Fielder that assets that might otherwise be tied up in working capital can be redeployed to other investments with greater potential to improve return on capital?

We look closely at opportunities to invest in other assets. We've certainly seen an improvement in return on capital as a result. Our primary focus in the financial space is improving the state of our balance sheet. By that I mean restoring our credit metrics back to investment grade level. Part of that is improving our working capital management. We've really had to focus on how capital management can contribute to improving our overall financial position and, therefore, ensuring Goodman Fielder continues for the long haul.

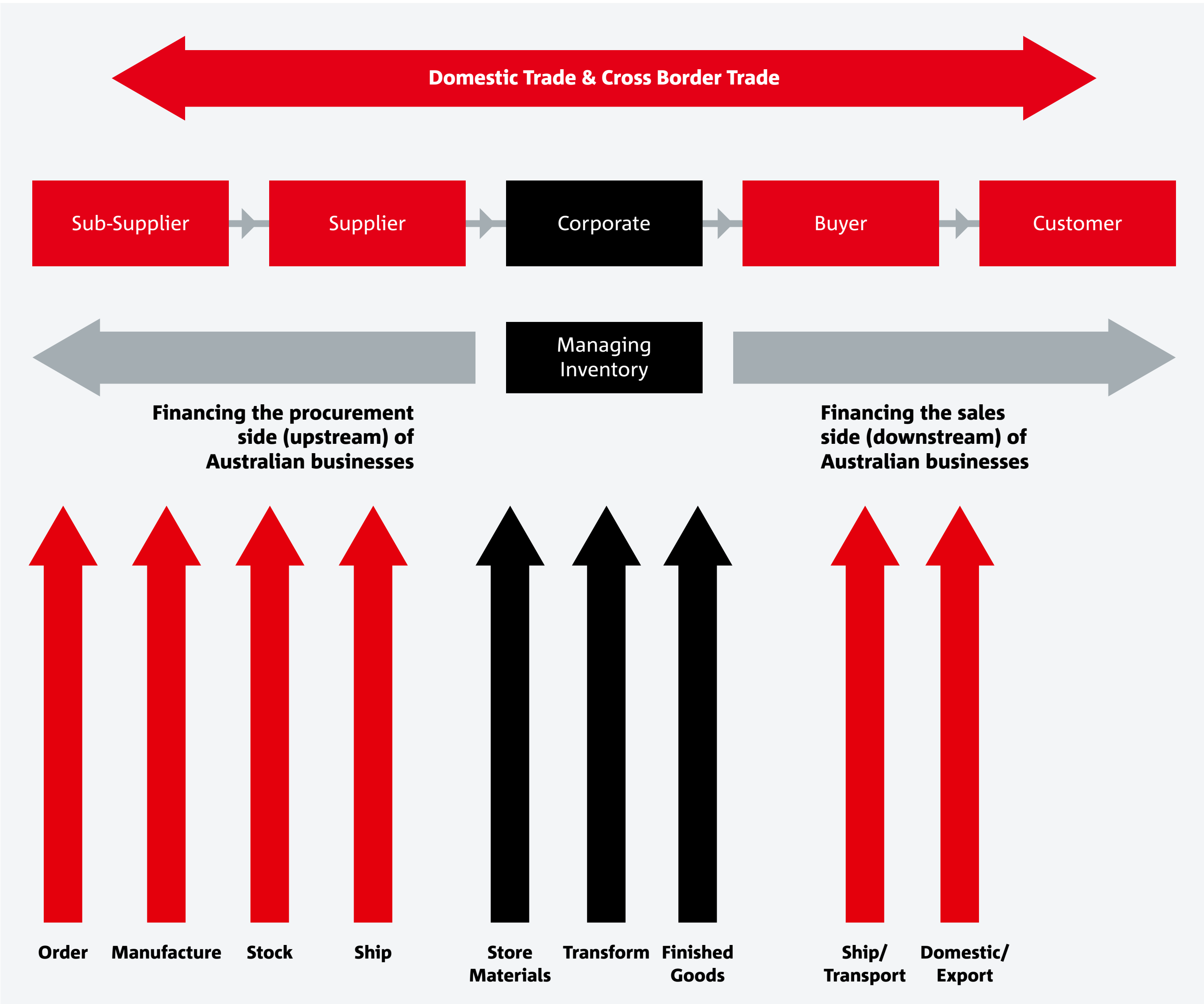
101 alternative ways of funding working capital

Michael Wood
Head of Trade Finance & Invoice Finance Product Management, Australia

Banking, like most things in 'the good old days', used to be simple and working capital finance options were easy to understand. Bankers would discuss overdraft facilities with customers who either only had occasional funding shortfalls (a day or two here and there) and bill financing facilities for customers with more substantial needs, generally requiring funding in 30-day blocks. The good old days weren't necessarily better and the changes in working capital finance have provided an opportunity to introduce additional features, increased efficiency and easier access.

In today's world, the overdraft and market rate facility remain relevant. To a working capital finance specialist they are often referred to as 'vanilla' facilities, reflecting that the customer problems addressed by the solution and the value delivered are basic and limited to the financing of cash shortfall. The past decade, and the introduction of a new digital and information age has stimulated a range of financing solutions that reflect an ability to satisfy a broader range of needs and to solve a wider range of problems, often not just for a single customer, but also for the trading partners (suppliers and/or buyers) of the customer.

Chart 4: Supply Chain Finance



While there are a variety of available lenses through which finance options may be considered, a starting point is to view within the procurement to cash cycles (See chart 4).

Funding your purchases: Trade finance solutions, including pre-export finance, provide for funding efficiency where drawings are available in a range of currencies, in amounts that match the underlying cash flow needs and for terms that align to your asset conversion cycle. Trade finance provides greater flexibility than a market rate facility, and has a lower cost structure than overdraft by providing a fixed rate funding of required amounts for required periods in a currency that suits the business need. Trade finance can serve as an efficient financing tool to support payments to suppliers or to finance extension of payment terms to buyers.

Making your payments: Beyond a trade finance facility, working capital solutions can also support risk management objectives. Import Letters of Credit (LC), Collections, Standby Letters of Credit and Payables Finance solutions can provide suppliers with the certainty required to prioritise your orders and to view you as a valued

Types of trade financing products that NAB can help you with in each of the trading cycle:

Funding your purchases	Making your payments	Receiving your payments	Funding your sales
International/Domestic Trade Finance Gives you short term finance to help fund the payment of outstanding invoices issued by your suppliers - trading cycle from 7 to 180 days	**Import LC** An undertaking by NAB to pay an exporter in another country provided they meet certain requirements (shipping documents correct etc)	**Borrowing Base** Gives you access to funds when you need them within a single revolving facility based on the strength of your inventory and/or receivables	**Export Post Shipment Finance** Exporters are able to convert a credit sale into a cash sale thereby freeing up their capital for further exports
Export Pre-Shipment Finance Provides finance for exporters to purchase commodities or raw materials for subsequent sale to Buyer. Proceeds from sales are used to liquidate loan	**Import Collections** NAB could be the Collecting (Presenting) Bank receiving the documents from the Remitting Bank	**Limited Recourse Receivable Finance (LRRF)** Customer (Seller) is able to sell receivables to NAB in order to raise funds. You transfer the risk of buyer's non-payment/default risk to NAB	**Export LC Confirmation** NAB will take on the risks of obtaining payment from the issuing bank - Gives you the assurance of a payment commitment from NAB
Payable Finance Suppliers are able to finance invoices approved by NAB customers (Buyers) for payment at a future date via web based portal (PrimeRevenue)	**Outward Standby LC** Gives your supplier security in the event of buyer default under open account terms. NAB's undertaking to pay the nominated beneficiary an agreed amount	**Invoice Finance** Gives you access to cash owed to you by your debtors within 1 business day (domestic debtors only)	**Export Collections** Provides the seller comfort that documents will be under the bank's control until the buyer makes payment or commits to pay
Goods Purchase Gives you funding up to an agreed percentage of the market value of goods - in the form of approved grain inventory	**Clean Outward Payment** Process payment of funds pre or post shipment domestically or internationally	**Clean Inward Payment** Processing inward payments received from domestic/ overseas by SWIFT or mail	**Inward Standby LC** Gives you security in the event of buyer default under open account terms. Issuing bank undertaking to pay the nominated beneficiary an agreed amount

trading partner. Letters of Credit have often been used to not only provide a supplier certainty of payment (and in turn underpin their own financial reliability), but also to support your confidence that the ordered goods will be shipped on time and to specification – we all know the value of Christmas trees in the first week of January! Online platforms mean that traditional trade instruments such as Letters of Credit and trade finance can be easily accessed and managed.

For a financially secure buyer, Payables Finance provides a means to potentially enjoy longer use of supplier (versus bank provided) finance while providing the supplier with a cost effective source of finance. Web-based platforms such as the PrimeRevenue SciSupplier provide visibility of invoice status to the supplier and serve as an easy means of accessing cost effective finance to suit the needs of the supplier. Alternatively, Payables Finance might be used to source operational efficiencies through standardisation of payment terms or Cost of Goods savings through negotiations of payment terms.

"In the world of working capital finance, the information and technology age has created a new and valuable range of financing options"

Receiving your payments & funding your sales: When looking at how to finance sales to your buyers, solutions such as Export Letters of Credit, Borrowing Base Solutions and receivable finance options such as Limited Recourse Receivable Finance and Invoice Finance provide a means to both finance terms and manage the risk associated with buyer non-payment through various structures. These solutions can support the affordability of your product to buyers by providing the buyer sufficient time to transform and sell purchase products before being required to make payment to you. The working capital finance provides a basis for combining your own risk appetite (for buyer default) with that of your banking partner and also trade credit insurance providers.

It may seem that we used to live in simpler times and today we have too much choice. In the world of working capital finance, however, the information and technology age has created a new and valuable range of financing options. Opportunities beyond those outlined above exist including inventory finance (Goods Purchase Facility) as well as trade receivables securitisation programs. Available options may provide increased flexibility and improved efficiency beyond the vanilla solutions, although there is still a place for vanilla facilities. The focus of the solutions extends beyond a cash management concern, to include risk management objectives that encompass typical goals of building sustainable and mutually beneficial relationships with suppliers and buyers.

To access the most appropriate financing option, and to understand what options are available, an open dialogue is required between you and your banking team.

Releasing liquidity through Supply Chain Finance

In an environment of constrained liquidity, Supply Chain Finance (SCF) is creating new opportunities for businesses – particularly across the Asia Pacific region. Oliver Belin, Director Marketing at Prime Revenue, looks at how flexible SCF is transforming cash flow.

Why does Supply Chain Finance (SCF) represent a valuable tool to Australian corporations as well as their SME/middle market suppliers given the period of flat credit growth?

Current economic conditions coupled with ensuing liquidity constraints and raised risk sensitivities, have increased the demand for SCF. In tandem with the need for liquidity comes the necessity of covering new and geographically diverse markets. These include markets in the Asia Pacific region that have cash flowing along "long haul" trade routes between Europe, the US, and Asia.

The ongoing shift to open accounts provides new financing channels for core suppliers based in the Asia Pacific region.

On the buyer side, we see strong demand and growth in Australia, the US and Europe. However, there is less growth in South East Asia, China, and India - partly because of the difficulties of banks to take credit risk on buyers with little transparency on financials and other metrics in those regions.

On the supplier side, we are seeing huge demand in SCF. Suppliers in Asia particularly see the benefit of being paid early and on demand.

SCF becomes available to suppliers based on approved invoices by their customers, but procurement teams can be slow to approve invoices. What assistance does the industry provide to expedite this approval process?

We have more than 12,000 suppliers on our platform and 90 buyers. There are big differences between different corporations and the time they require to approve their invoices. As the SCF process starts with an approved invoice it is crucial to have a short approval time in order to give the option for the suppliers to get paid early. Electronic invoices are used by many companies to shorten the approval time. We work with e-invoicing companies like Tradeshift, which allow us to expedite and streamline the entire process.

Does the supplier achieve without-recourse funding, and how is the enhanced risk management/transfer achieved by the supplier?

The core of SCF is represented by the true sale of receivables. The title of the receivables is fully transferred from supplier to bank, so it is 100% non-recourse to the supplier – the credit risk is fully transferred to the bank.

In most SCF programs there are different options available for the supplier. The supplier can choose if he wants to be paid early or not. For example, if a supplier needs more cash at the end of a quarter and, in order to show better balance sheet metrics to shareholders, they can choose when to sell their receivables and receive early payment.

At any given time, a supplier may not be able to access funding due to the buyer's lines being full. How does provision of a panel of financiers attempt to avoid this situation?

There has been a paradigm shift in terms of risk perspective since the global financial crisis. Prior to 2008 banks looked at the risk related to their corporate clients; today companies look at the risk associated with their banking relationships. This shift increases the importance and demand for multi-funding structures incrementally. Because funding in SCF is uncommitted, banks can stop funding, reduce credit limits or increase pricing at any time. I have seen this happen overnight. For example, a SCF facility from a large UK based retailer was funded by a US bank a few years ago – when the financial institution decided to step out and stop funding. This increased the risk of supply chain disruptions as the suppliers were expecting early payment terms through the SCF program. Fortunately, because the client was on our multi-banking platform we could easily replace the funder by two other financial institutions. Today the SCF program is still in place and has grown successfully since then.

Some companies use a syndication model of different banks because they don't want to depend on one single bank. However, in this structure there is a lead bank contracting with the different suppliers. The other banks participating in the facility are contracting with the lead bank and don't have a legal agreement with the suppliers or buyer.

Therefore, if the lead bank decides to stop funding or increase pricing, the buyer and supplier are again dependent on the financial institution. There are also many cases where the lead bank is

Oliver Belin

Director Marketing
PrimeRevenue

"The most common reason buyers set up a program is that they want to extend payment terms, improve working capital and cash flow."

not able to buy the receivables and perfect their interest in specific supplier jurisdictions. If this is the case the program cannot grow even though there are other funders participating behind the lead bank.

PrimeRevenue's OpenSCi platform is a true multi-banking platform and avoids these issues, by contracting directly with the buyer and without having a lead bank. Every funder has a contract with the supplier and buys the receivables or drafts directly from them. This allows a flexible solution whereby the buyer can add or change banks in its SCF program. It's also much more competitive in terms of pricing to have a panel of banks involved instead of having a lead bank dictating pricing and asking participating fees from other funders.

What kind of credit arbitrage opportunity is there for suppliers dealing with stronger credit-rated buyers? What does this mean for suppliers?

Credit arbitrage isn't the key driver behind companies adopting a SCF program. On our platform a very large amount of suppliers have a better rating and access to cheaper funding than the buyer and they still trade their receivables.

Based on surveys, the main reason suppliers come on to the platform and sell their receivables is represented by payment terms. If the buyer has long payment terms, for example above 45 days, suppliers are more likely to trade their receivables to get paid earlier. Another important factor is the materiality of sales. If sales to the respective buyer represent more than 10% of the total sales revenue, there is a bigger chance that they will come on board the SCF program. Another key reason is how the supplier values on demand cash.

Every supplier has a different view on SCF and different reasons to sell their receivables. Therefore, before we set up a SCF program we analyse in detail the working capital opportunity for the buyer. In addition, we identify on a single supplier level, which companies are more likely to join a SCF facility and what are the key drivers. When we speak with the supplier, credit arbitrage or pricing is the last item on the agenda.

SCF looks attractive to suppliers in providing liquidity at a cheaper cost of funding. Does it assist buyers to the same extent and how does the value-sharing play out in your experience?

Our starting point is to always identify the customer's goals as clients use SCF for many different reasons. The most common reason why buyers set up a program is to extend payment terms, and hence improve working capital and cash flow. But there are also other benefits, which can be generated for the buyer by implementing a SCF program such as improving EBITDA, reducing risk of supply chain disruptions or improving the relationship with strategic suppliers.

For example, a large UK based pharmaceutical company uses SCF purely to support their suppliers. They don't extend payment terms but use their strong credit rating to offer early payment at attractive rates to their suppliers. Other corporations set up a program to generate revenue by receiving part of the cash discount deducted from the supplier's invoices. In some cases buyers offer different pricing based on the credit rating or financial health of their suppliers. The difference in pricing creates a revenue stream for the buyer, which generates a positive impact on their EBITDA.

How does the industry address cross-border funding and how are compliance/regulatory issues managed?

This is a challenge, even though credit risk lies only with the buyer you can have suppliers in multiple jurisdictions. When funders buy the receivables from the suppliers they have to perfect their interest based on local laws, which can be an issue for some banks. There is no bank today, which can perfect their interest and have expertise in every single jurisdiction. Therefore, we use a multi-banking structure for our SCF program allowing our clients to choose the perfect funding partner based on a specific region or currency.

International working capital - don't forget the FX risk!

Jason Cheah
Associate Director
NAB Advisory

It's critical for companies to focus on managing their foreign exchange (FX) exposures in conjunction with managing their working capital.

Many Australian companies are exposed to FX risk, typically arising from foreign currency cash inflows (exporters); foreign currency cash outflows (importers); or a combination of both. The typical volatility of FX means that the failure to manage FX risk can result in adverse impacts which can overwhelm any hard-earned gains from implementing working capital strategies.

The use of even simple FX hedging strategies can help companies protect any gains from FX-exposed working capital.

The impact of FX risk on working capital

An analysis of working capital ratios is a quick way of examining a company's financial statements to understand the performance of its working capital management. We will use quantitative techniques along with a number of working capital ratios to illustrate the impact of FX risk.

Specifically, we will examine the impact of FX risk on two commonly used working capital ratios:

1. Current ratio – a liquidity ratio;
2. Receivables turnover – a working capital utilisation ratio.

We will be utilising a fictional Australian company named AustAcme Limited (AUSAC) to provide a context for the analysis.

The quantitative analysis method uses a Monte Carlo simulation technique to simulate the future movements of the AUD/USD. With 50,000 iterations, a distribution of the relevant ratio can be generated.

"The typical volatility of FX means that the failure to manage FX risk can result in adverse impacts which can overwhelm any hard-earned gains from implementing working capital strategies"

We will also examine the two ratios from the following states as to provide a useful comparison:

- **Existing** – ratios calculated based on baseline financials;
- **Optimised** – ratios calculated based on financials having implemented working capital improvements;
- **FX risk** – ratios calculated based on the Optimised financials, overlaid with FX risk.

Some information about AUSAC

The following are notable characteristics of AUSAC:

- AUSAC uses local materials and services to manufacture specialised mining equipment.
- The finished equipment is exported overseas and are marketed and settled in USD.
- AUSAC has a functional currency of AUD and generates financial and management reports in AUD.
- AUSAC has some issued some USD-denominated debt.

Impact on current ratio

The current ratio is calculated as follows:

$$\textit{Current ratio} = \frac{\textit{current assets}}{\textit{current liabilities}}$$

Assume that AUSAC has the following current assets and current liabilities.

	Existing	Optimised
Current assets		
Accounts receivable (USD)	USD 25m	USD 23.75m (-5%)
Other current assets (AUD)	AUD 25m	AUD 25m
Current liabilities		
Foreign short term debt (USD)	USD 15m	USD 15m
Accounts payable (AUD)	AUD 25m	AUD 26.25m (+5%)

Based on the AUD/USD FX market conditions as at 1 June 2013 (FX spot rate of 0.9588), the current ratio is 1.257x.

Impact of optimising working capital

Assuming that AUSAC reduced its debtors' credit terms and extended its payable credit terms by 5% (Optimised), this results in the USD accounts receivable balance shrinking by 5% and accounts payable increasing by 5%.

The current ratio calculated under these terms would be 1.188x. This represents about 5.8% improvement in the current ratio.

Impact of FX risk

Since the USD debt balance and USD receivable is translated back to AUD at the AUD/USD spot rate, the current ratio will be volatile because of translation risk.

Based on the FX market conditions (FX spot rate of 0.9588 and volatility of 10%) and a risk horizon of one-year, the distribution of the Optimised current ratio is depicted on chart 5.

The 95th percentile distribution exhibits a lower bound of 1.1608x and upper bound of 1.2184x. Compared to the Optimised current ratio of 1.188x, the upper bound of 1.2184x represents a 2.4% increase in the ratio. This represents an erosion of the improvement to working capital due to FX risk.

In contrast, had AUSAC hedged the translation risk associated with the USD receivables and USD debt with an FX forward at a rate of 0.9400, the current ratio would have been a certain 1.191x.

Impact on receivables turnover

The receivables turnover ratio is calculated as follows:

$$\textit{Receivables turnover} = \frac{\textit{credit sales}}{\textit{accounts receivable}}$$

Assume that AUSAC has the following sales and accounts receivables profile. It is assumed that AUSAC does not have any cash sales.

	Existing	Optimised
Sales (wholly credit sales)	USD 55m	USD 55m
Accounts receivable (USD)	USD 25m	USD 23.75m (-5%)

Based on the AUD/USD FX spot rate of 0.9588 as at 1st June 2013, the receivables turnover ratio is estimated to be 2.20x.

Impact of optimising working capital

Assuming that AUSAC reduced its debtors' credit terms by 5% (Optimised). This results in the current assets balance shrinking by 5% (through a reduction in accounts receivable). Using the same constant FX rates of 0.9588, the receivables turnover ratio calculated under these terms would be 2.316x. This represents a 5.2% improvement in the ratio.

Impact of FX risk

The USD sales and USD accounts receivable figures are subject to FX risk. The AUD value of sales is subject to the volatility of the average AUD/USD rate over the year. The AUD balance of the USD receivable balance is translated at the prevailing spot rate from USD into AUD.

Based on the FX market conditions (FX spot rate of 0.9588 and volatility of 10%) and a risk horizon of one-year, the distribution of the Optimised receivables turnover ratio for AUSAC is depicted on chart 6.

The 95th percentile distribution exhibits a lower bound of 2.074x and upper bound of 2.563x. Compared to the Optimised receivables turnover ratio of 2.316x, the lower bound of 2.074x represents a 11.7% decrease in the ratio. This represents an erosion of the improvements to receivables turnover obtained from the optimisation process.

Had AUSAC hedged the FX risk on the credit sales and USD receivables at a forward rate of 0.9400, the receivables turnover ratio would have been a constant 2.316x.

Conclusion

Companies that seek to optimise their working capital should consider FX risk management strategies. Using the two examples based on AUSAC, it can be seen that any FX exposed working capital measure is affected. Where a company has implemented working capital improvements to improve certain measures, unmitigated FX risk can erode those gains.

We have illustrated simple FX risk strategies involving forward exchange contracts. As demonstrated in the two examples, the implementation of such a simple strategy has allowed AUSAC to lock-in the benefits gained from their optimisation of working capital.

Chart 5: Distribution of the optimised current ratio

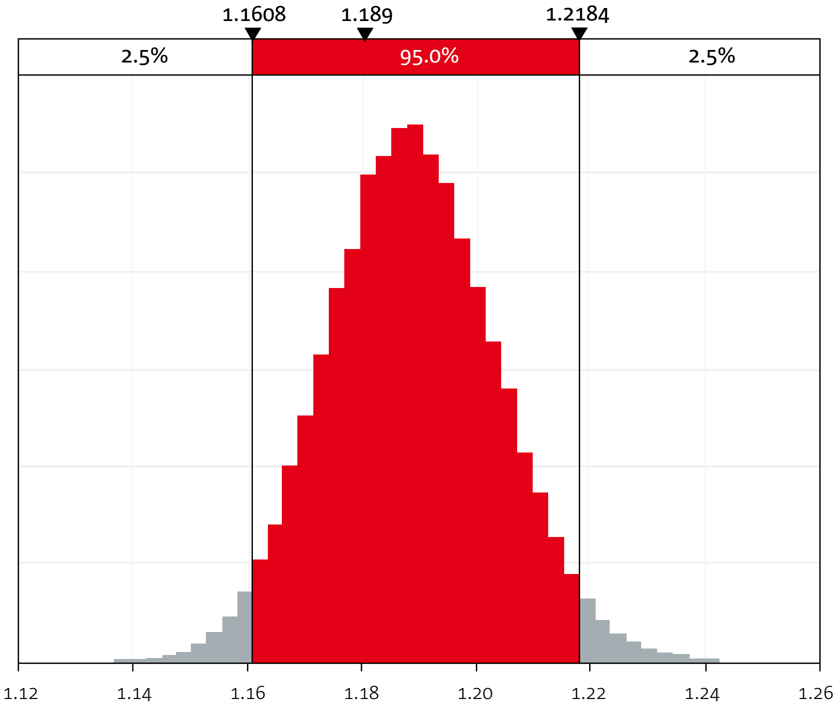
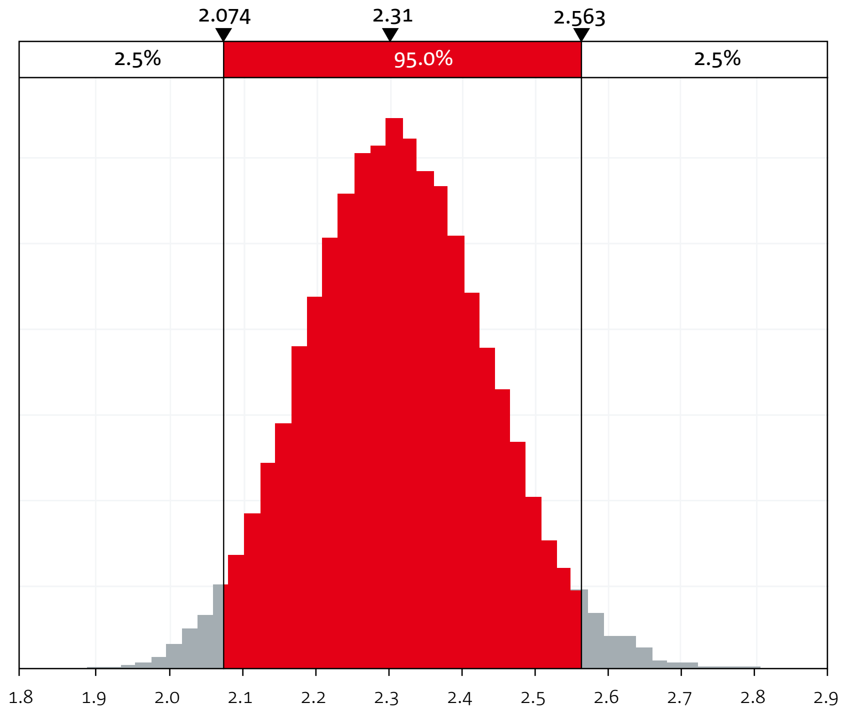


Chart 6: Distribution of the optimised receivables turnover ratio



Large companies and the 'big shift' to Asia

Mark Borton
Head of Product Management, Asia

Michael Hogan
Head of Trade Sales, Asia

In its recent white paper, "Australia in the Asian Century", the Australian Government explored the impact that the continued emergence of Asia is having, and will continue to have, on Australian businesses.

NAB Board Member, Ken Henry, chaired the committee that produced this paper, which highlighted a number of key areas for focus as Asia continues its growth in importance as a global market. When combined with a steady take-up of the Chinese RMB as a currency for transacting in, it is apparent that for many Australian companies that their business operations and opportunities are increasingly connected to Asia.

As a result, many are now choosing not only to transact with Asia, but also to base parts of their operations in key locations, such as Singapore, Hong Kong and Shanghai where they are looking for the same sort of cash management and trade finance capabilities that they are used to in their home market.

A tipping point of sorts seems to have been reached, led by the biggest companies who have the widest geographical focus, but they are increasingly being joined by smaller and medium sized enterprises.

This is not just a short-term phenomenon. The reasons for this are a combination of various "push and pull" factors:

- On the "push" side, Australian companies are assessing the impact of where the AUD is trading – still relatively high despite recent downward pressures – higher corporate taxes and more perceived rigidity and costs in the labour market. Further, being an 8 hour flight closer to your key trading partners in locations such as China and India goes a long way to help overcome the tyranny of distance.
- On the "pull" side, markets such as Singapore and Hong Kong have always sought to be competitive and attractive to investors and business alike, and with both operating as gateways to Asia – Singapore for South-East Asia, India and the Middle East, and Hong Kong for North East Asia, opening up geographies such as China, Japan and Korea – these serve as key locations to base operations. When combined with top-quality infrastructure, sophisticated logistics and strong governance they prove very attractive.

If you are a Trading Company or a company setting up a regional centre in Singapore specifically, it's an even better story: the 'Global Trader Programme' currently provides tax rates as low as 5% for at least 3 years; staff subsidies and training benefits which add to a proposition that is hard to match at home.

Despite lingering global economic concerns, strong liquidity pools and finance at reasonable rates are still readily available in Asia for good quality corporates, with many international and regional banks not having the same liquidity or funding issues that are at play in Australia.

The Chinese governments' progressive moves towards promoting the RMB as an international currency also presents both opportunities and challenges for Australian companies trading with and in Asia.

Opportunities lie in the form of a hugely increased mainland China client base with which to transact, potential cost savings through either improved pricing or better foreign exchange management and improved customer relationships through transacting with Chinese companies in their home currency.

However, continued uncertainty around documentation requirements, confusion over onshore (CNY) and offshore (CNH) Renminbi, and pricing differences between these two means that banks still have a duty to provide ongoing education and clarity for customers.

The finance industry is increasingly active in this area, as there is a belief that de-mystifying the currency will significantly aid it's take up.

So, with a large number of full-service banks competing for business how does an Australian bank play and win in the transactional banking space?

Some may seek to build a footprint through acquisition and expansion into all areas of corporate and retail banking, whereas others, such as NAB may adopt a more focused strategy, preferring to focus on core Asian markets, and engaging with customers to understand more specifically what their expanding needs are.

The latter approach will typically involve not only strategic geographic expansion by the bank, but also strategic product expansion to accompany it.

Leading with business that naturally has a cross-border element involving Asia to it, such as trade finance and supporting clients in the natural

"We can provide clients with advice, support and services when and where they need it to minimise the stress of transferring business from Australia into Asia."

resources space is a good place to start, and once proven to be successful can be expanded progressively across both the range of clients and products offered.

Ongoing Chinese Renminbi liberalisation, and increasing moves from companies exploring the eTrade arena – especially those in the mining industry seeking streamlined documentation flows to achieve better working capital management and cost reductions – look like being some of the next areas of focus in Asia for banks to work on.

Another important factor for corporate customers moving into Asia is the availability of cash management and foreign exchange services to round out a transactional banking offering.

Provision of cash management services ranging from basic operating accounts and deposits through to more complex electronic payables and receivables is increasingly regarded as a "hygiene factor" for customers as they seek to build their brands and compete in the markets of choice.

Ongoing investment in these areas , as well as having strong partnerships with other service providers, can provide customers with the ability to transact with confidence.

"At NAB we follow our clients and strive to deliver what they need in Asia" states Michael Hogan, Head of Trade for NAB in Asia. "Clients prefer to leverage their traditional relationship with us as they expand overseas. For us to remain relevant, it's critical that we provide the right coverage, capability and connectivity for our clients in the region. Our regional partner relationships also help expand our reach even further."

Mark Borton, Product Management Head for Asia adds, "We can provide clients with advice, support and services when and where they need it to minimise the stress of transferring business from Australia into Asia. We also have the flexibility in our services to support their changing needs".

The big shift to Asia is well advanced for many Australian companies, the ultimate scale and pace of this transition will only be known over time. One thing that we do know for sure is that the effect will be game changing for both Australian companies and banks alike.

New retail industry standards and the evolution of eCommerce

Stuart Woods
Associate Director,
Business Development
Transaction Banking

The cash conversion cycle of a company measures the length of time it takes for the production and sales process to convert resource inputs into cash.

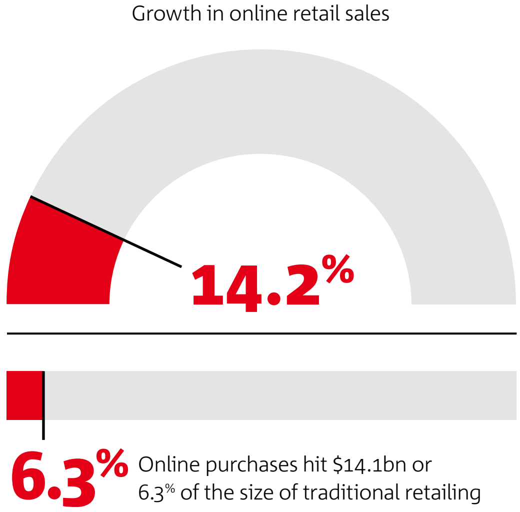
Hence, the cash conversion cycle differs among industry groups. For example, service industries require little to no inventory whereas retailers are heavily dependent on the level of stock they maintain in order to react to market or consumer demand.

As consumer demand continues to evolve, retailers, now more than ever, are focused on managing their payments, receivables, cash cycle and inventory position in order to avoid obsolescence or heavy discounting and protect profit margins. Banks have an important role to play in supporting retailers to manage their cash conversion cycle and facilitate growth during times of change and heightened competition.

The travails of the Australian retail landscape have been well documented in the media in recent times – the industry is evolving rapidly and retailers need to differentiate themselves in this new environment to remain competitive. As with other industries, retail has been impacted by recent global economic conditions, a difficult trading environment and high costs of doing business. Domestic retailers are also facing increased competition in the market as international retailers have leveraged their lower cost base and expanded into the untapped Australian market. Zara, Topshop, Gap, H&M, Uniqlo and Next are a selection of brands who have, or are planning, a direct retail presence in Australia, and there are more on their way.

Increased competition has also manifested online – frugal consumers are chasing price, and a wider product range, through the convenience of their preferred device. Online retail sales continue to outgrow the traditional bricks and mortar retail sector. As of July 2013, online sales growth was at 3% month-on-month compared to 0% growth in traditional retail sales.

Chart 7: Online Retail Sales (yoy %)



With online retail sales estimated to be $26.9 billion by 2016 (PWC, Frost & Sullivan), it is imperative that retailers innovate through technology and provide a multichannel retailing experience offering access through a range of devices, supported by competitive pricing and stock availability.

Innovation

Enhancements in technology are having a significant impact on the behaviour and expectations of consumers. mCommerce, the purchasing of goods through a mobile device, is becoming more prevalent, and its influence is increasing to the extent that it will be central to the future of retailing.

Banks are looking at ways to assist retailers broaden their customer payment options through leveraging their own technology platforms. As an example, banks are opening up their payment gateway to provide web services, allowing their customers, such as retailers, to integrate apps with the bank's security gateway. This provides the

"Banks have an important role to play in supporting retailers manage their cash conversion cycle, and facilitate growth during times of change and heightened competition.'

separation of channel from underlying systems and applications, and a secure platform for retailers to use and process payments. Payment channel diversification will be supported further as the Australian banks move towards a network-wide real-time payments system, which will create working capital efficiency benefits to retailers as they settle their funds earlier, reducing the cash conversion cycle and generating higher productivity from those funds.

Technology is also playing a big role for retailers in-store as well as online. The orthodox transaction process directs customers to go to the payment mechanism, driving them to a fixed-line point of sale terminal at a counter. Receipt of payment through a network-connected smartphone or tablet provides a simple alternative to the traditional EFTPOS terminal, allowing more flexibility for retailers to manage a customer interaction. It enables customers to transact immediately, when and where there is customer demand.

Bank-supplied mobile devices enable retailers to capture key customer data. This allows every interaction with a customer to be personalised, which builds loyalty and facilitates targeted promotions and incentives to cross- and up-sell customers. These mobile retail systems also incorporate inventory solutions with extended functionality to mobile devices, which provides reliable and up-to-date visibility of in-store stock and saves hours of staff time wasted on inefficient processes.

Big data

"It's not the size of your data that counts; it's what you do with it," UBank general manager, Alex Twigg says.

The volume and detail of information is increasing rapidly. The challenge for organisations is how to leverage the mass of raw data available to gain insights, drive productivity and growth in their industry. Banks find themselves well placed to take the lead in driving the advancements with big data as they generate a large amount of transactional information about consumers. Combining this rich data set with powerful analytics systems allows banks to break down the information and provide detailed insights on consumer behaviour.

NAB has partnered with Quantium, Australia's most comprehensive competitive market intelligence and customer information source. The partnership incorporates information on the actual purchase behaviour of over 2.5 million customers, as well as their demographic profiles (geography, age, sex, income estimates etc), weighted by census data to provide a holistic view of customer shopping behaviour, profiles and lifestyles. This intelligence provides valuable insights to retailers' customer base, equipping them with a deeper understanding of where to focus their marketing spend and efforts to target new and existing customers i.e. efficiency in the allocation of capital.

Social media

Social media is a strategic tool that is playing an ever-increasing role in business. Many large companies, including retailers, are struggling to harness the information shared about their brand across social media channels.

On face value, banks may not seem the most obvious thought leader when it comes to managing a social media presence, however banks operate in an extremely competitive industry which encompasses a very large percentage of the population, many of whom are active on social media.

NAB recently launched a Social Media Command Centre in Melbourne using state-of-the-art technology. The purpose-built social media hub has increased NAB's social media following, allowing content to be shared with around 12 million users.

The ability to view and interact with customers in real-time is extremely powerful and has not only improved customer service, but has provided opportunities for increased online marketing activity and has leveraged customer advocacy. These opportunities are now being shared with customers as NAB opens the doors of the Social Media Command Centre to provide insight and share experiences on developing a successful and sustainable 'social' strategy. Tracking social media channels and analysing real-time customer feedback is a modern concept and valuable source of information. It can provide a deeper interaction with customers and ensure investment is made in the products and services customers want. Social media will prove crucial to the success of retailers staying ahead of the competition.

Opening up new markets

As competition increases for domestic retailers with the influx of international brands expanding into Australia, banks are providing creative ways for retailers to broaden their market footprint. Maximising economies of scale, while reducing the cost of doing business via traditional formats, i.e. high rental costs for prime retail space versus lower costs for more remote warehousing facilities (online).

Chinese consumers are spending big – both online and offline. With over 500 million Internet users, and an eCommerce market commanding around 25% of global online sales, there are huge incentives for companies to focus their efforts on trading with the Chinese market. However, cultural and political barriers, as well as tax regulation, legal structures and tariffs, can make a physical step into the Chinese market difficult. Banks, on the other hand, are facilitating trade with China by bringing the Chinese market to Australian retailers through a partnership with China Union Pay (CUP).

UnionPay Online Payment (UPOP) is the eCommerce solution designed by CUP. NAB is the only Australian bank to accept CUP online payments, allowing retailers to tap into new markets through the acceptance of UnionPay cards online. Using UPOP presents opportunities for Australian retailers to broaden their Asian offering by enabling the acceptance of online payments through a secure gateway. The UnionPay logo displayed on merchants' websites can help attract more Chinese consumers as it is a trusted and known brand, and NAB can help facilitate direct marketing opportunities with CUP in China.

Banks can also broaden the reach and increase the return of online store performance through multicurrency acquiring – the acceptance of foreign currencies through online credit card transactions. A multicurrency service enables merchants to debit cardholders in the cardholder's local currency, which provides pricing clarity, while the merchant is in a position to advertise pricing in overseas currencies and allow their customers to make informed pricing comparisons. As global trade activity increases, banks can assist by bringing new markets to Australian retailers without the requirement to physically locate overseas – a far more cost efficient model.

As retailers grapple with the new industry landscape, they look to banks for thought leadership and innovation. Managing a strong balance sheet and healthy operating cash flows is no easy feat in the current climate, however recent enhancements in banking technology can be harnessed to maximise working capital efficiencies. Some of the innovative tools and services that banks now offer help reduce costs while allowing companies to be more agile and gain a better understanding of customer behaviour. These efficiencies enable capital to be allocated to improving the customer experience which has the potential to drive sales opportunities.

Table 1. Key online retail statistics

	yoy growth (%)			mom growth (% sa, 3MMA)		
	May 13	Jun 13	Jul 13	May 13	Jun 13	Jul 13
Online Index	18.4	15.5	14.2	1.1	1.1	2.6
Domestic sales	18.2	14.9	15.0	1.2	1.2	2.7
International sales	18.9	17.0	12.3	1.2	1.1	2.5

3MMA is a three month moving average

- Material growth in year-on-year online sales (domestic and international)
- Chinese eCommerce has grown 200% in 3 years
- $210bn spend in 2013
- 25% of global Commerce transactions are in China

Corporate purchasing cards – delivering efficiency, visibility and control

Many organisations are making purchasing cards, or P-cards, the central feature of their payment infrastructure. Also known as corporate cards, P-cards are a company charge card or credit card that allows goods and services to be procured without using a traditional purchasing process.

Anthony Jones, director of commercial solutions at Visa, says there are three core elements of a successful P-card program – efficiency, visibility and control.

Research by Visa shows manual processing of a purchase costs an average of $47.81 in Australia. This is probably acceptable for a purchase of $100,000, for example, but when buying a $50 item, it nearly doubles the cost. The average cost drops to just $12.24 when using a purchasing card (or P-card). Staff processing time is also slashed – from an average of 1 hour and 40 minutes down to 22 minutes.

The Department of Conservation in New Zealand reduced the number of manual transactions put into its purchasing system by $65,000 a year.

Working capital advantages

P-cards also bring significant working capital benefits.

Many purchasing departments operate on payment terms of 30 days from the end of the month, although some have negotiated more than that.

P-cards operate in the same way that personal credit cards do; a purchased item doesn't appear on the statement for up to 30 days, then there are up to 15 days until payment is due – giving a working capital benefit of up to 45 days for each purchase.

Alternatively, purchasing departments can share some of the benefit by paying the supplier earlier. For example the supplier could be paid on day 5 rather than day 30, helping to improve the supplier's working capital position as well. However, the buyer still isn't making the payment for that transaction for up to 45 days due to the card's cycle cut and the bank's payment terms. In this instance, the buyer has improved their Days Payable Outstanding and the supplier has improved their Days Sales Outstanding.

Digging into data

Purchases on P-cards are acquitted post-spend via an expense management system.

Visa provides NAB with tools to let customers assess their purchase data: what was purchased, the value, and which purchases would be best paid for by card. Travel and stationary are usually put on P-cards, but that's often as far as it goes.

It really depends on the size and frequency of the transaction. Are you making a transaction to that supplier on a daily basis or are you making one or two transactions a year for less than $5,000?" asks Jones. "Those are all in the sweet spot for being paid via a card to derive process savings and working capital benefits."

Control and visibility

A range of controls can be put on individuals' use of P-cards: monthly spend limits, single transaction limits, allowed and disallowed merchant categories or individual merchants, as well as allowing and blocking different product codes. But the best way of controlling spending is through reporting. Fraud with P-cards is very rare because spending is so visible, said Jones. "Card statements are very transparent, as long as people are looking at the reports that your expense management system generates."

Another benefit of the high visibility of credit card spending is spend analytics and Spend Insight – where Visa's partner @UK PLC extracts raw data files from the ERP and then assesses purchase order compliance, as well as price variance between the price paid and the contract price.

"The contract isn't always being reflected in the price that's being paid," says Jones. "Procurement does a great job in negotiating price, but the requisitioners don't always know what that price is."

Spend analytics can also help identify inconsistencies in prices for the same item from the same supplier. For example, an analysis of prices paid by different UK hospitals for a Medtronic pacemaker found a wide variance in price. It also revealed that the specialist heart centre, which buys more pacemakers than any other facility, paid a price constantly higher than anyone else in the study – an average of £1,815 compared with other facilities' average of £1,325. This sort of information can be a good starting point for negotiations with suppliers, and a lot more effective than just requesting a 5 or 10 per cent discount compared to your last contract.

The introduction of P-cards isn't just of benefit to businesses looking to reduce cost, it's just as important to businesses in growth mode, to ensure that their growth is scalable, achievable and sustainable. Having the right payment processes in place is important to allow growth to occur and continue.

Virginia Maruff
General Manager
Transaction Banking
Corporate, Institutional
and Specialised Business

"Spend analytics can also help identify inconsistencies in prices for the same item from the same supplier."

Perpetual and the P-card

Virginia Maruff
General Manager
Transaction Banking
Corporate, Institutional
and Specialised Business

Perpetual Limited is well advanced in its program to introduce procure to pay and revamp its decade-old corporate card program.

When head of procurement Glenn Johnston arrived at the wealth management company just over a year ago he found corporate cards were mainly handed out as a status symbol, not necessarily as a business tool, and the 350 holders used them mostly for travel and entertainment expenses.

About 35,000 transactions were put through P-cards each year, but that still left 50,000 manual transactions, worth $80 million. Perpetual's old P-card system had a rudimentary online acquittal and reconciliation, and generated only basic spend data.

Johnston outlined key drivers for change; efficiency; cost savings gained from having more control over spending, real-time, comprehensive spend data; improved compliance. Additionally, Perpetual negotiated a volume rebate from NAB for the spending it does on its new P-cards which can help offset merchant transaction fees.

Perpetual's initial plan was just to replace its current card system with an updated version, but then Johnston asked: "Why can't we transact these manual invoices on a P-card? What's stopping us?"

"So we've started that thought process as well," he comments.

A very conservative estimate of the manual invoice processing cost was $23 each – or $1 million per year, according to Johnston, who has more than 20 years logistics and procurement management experience across a range of industries.

The new P-card – which has recently been rolled out across the company – has come with a robust approval and acquittal system that is fully integrated with Perpetual's financial and purchasing systems.

When looking for a solutions provider, Perpetual sought an expense management system that could be fully integrated into its own finance systems, was customisable, user friendly and easy to administer. Importantly, the EMS had to support the spending and expense policies; it needed to be configured to fit the policies.

"Perpetual set out to change the way people think - to consider what they can't put on the card rather than narrowly focussing on the things that can be charged to a card".

"You can't have a system that doesn't talk to the manual or written policy," Johnston comments.

Perpetual was also seeking a provider that didn't levy card fees, offered extended interest-free terms, and allowed easy management of the cards, such as allowing Perpetual to issue the cards and set the transaction control limits, rather than having to go to the bank each time.

"You've got to find people who are feeling the pain – that's your greatest audience," says Johnston.

At Perpetual these were the accounts payable staff and executive or admin assistants, who each had to get all the acquittals done for up to 12 monthly card statements.

Perpetual also set out to change the way people think – to consider what they could put on the card rather than narrowly focussing on the things that can't be charged to a card. For example, the property services manager was aghast when Johnston suggested putting the company's leases on a card, but he's now getting buy-in from some landlords.

So was it worth doing?

"It's a resounding yes from me," says Johnston. "There's a lot of pain when you go along the process, but the company-wide benefits, both soft and hard, certainly outweigh a lot of that pain you feel."

NAB Contacts

Andrew Wright
General Manager
Institutional Bank
+61 (0)3 8641 4193
andrew.w.wright@nab.com.au

Peter Stephens
Head of Capital & Ratings Advisory
NAB Advisory
+61 (0)3 8641 3188
peter.stephens@nab.com.au

Mark Borton
Head of Product Management, Asia
+65 6419 6781
mark.borton@nabasia.com

Michael Hogan
Head of Trade Sales, Asia
+65 6419 6831
michael.hogan@nabasia.com

Ben Matigian
Director
NAB Advisory
+61 (0)2 9237 9404
benjamin.matigian@nab.com.au

Karin Mowlem
Associate
NAB Advisory
+61 (0)3 8641 2772
karin.mowlem@nab.com.au

Michael Wood
Head of Trade Finance & Invoice Finance Product Management, Australia
+61 (0)3 8641 0102
micheal.s.wood@nab.com.au

Jason Cheah
Associate Director
NAB Advisory
+61 (0)3 8641 3742

Dinush Kurera
Associate
NAB Advisory
+61 (0)3 8641 2884
dinush.kurera@nab.com.au

Virginia Maruff
General Manager, Transaction Banking
Corporate, Institutional and Specialised Business
+61 (0)3 8641 3774
virginia.r.maruff@nab.com.au

Khoa Vu
Associate Director
NAB Advisory
+61 (0)3 8641 3195
khoa.vu@nab.com.au

Stuart Woods
Associate Director, Business Development
Transaction Banking
+61 (0)3 8641 1432
stuart.w.woods@nab.com.au