

Digital Vault Savings

July 2021



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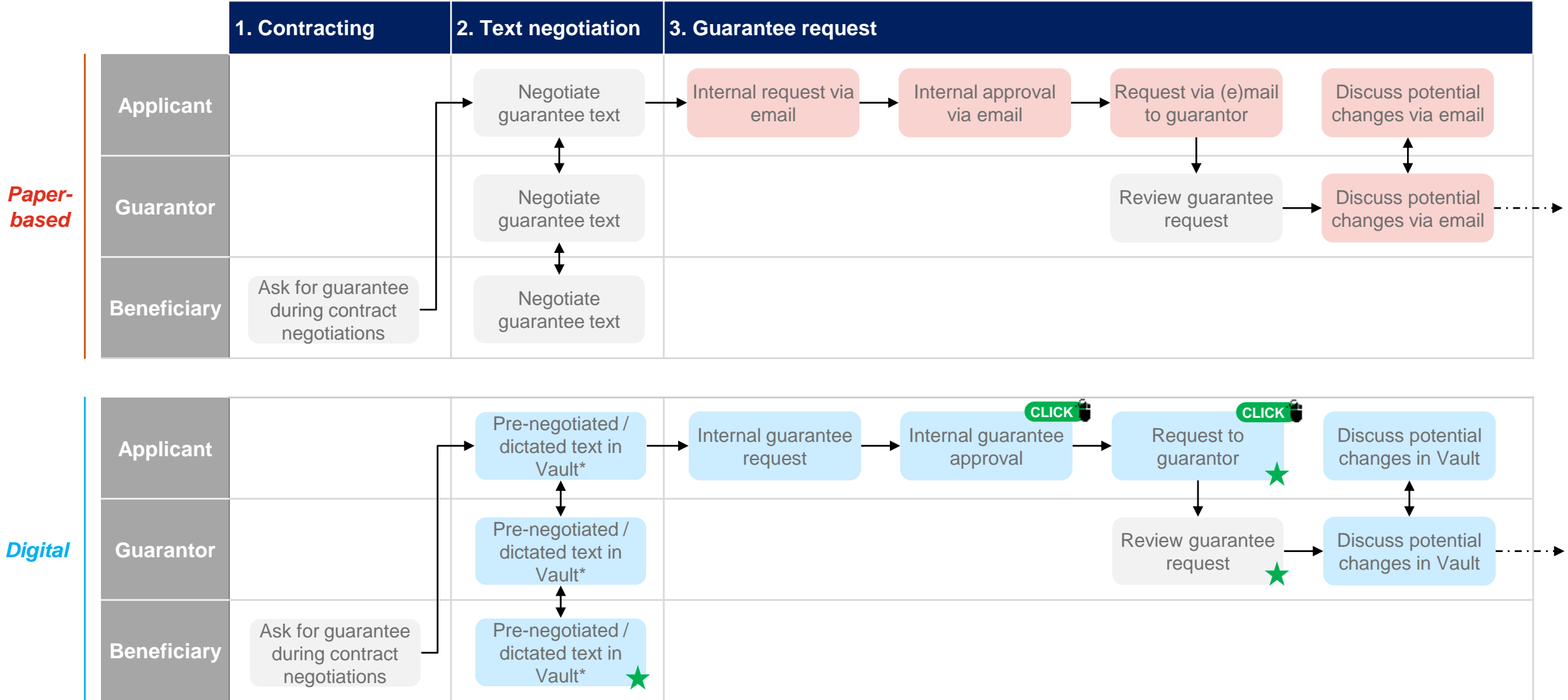
1. Guarantee process flows
2. Quantitative benefits - By labour & paper process
3. Quantitative benefits - By guarantee life cycle
4. Qualitative benefits

1.

Guarantee process flows

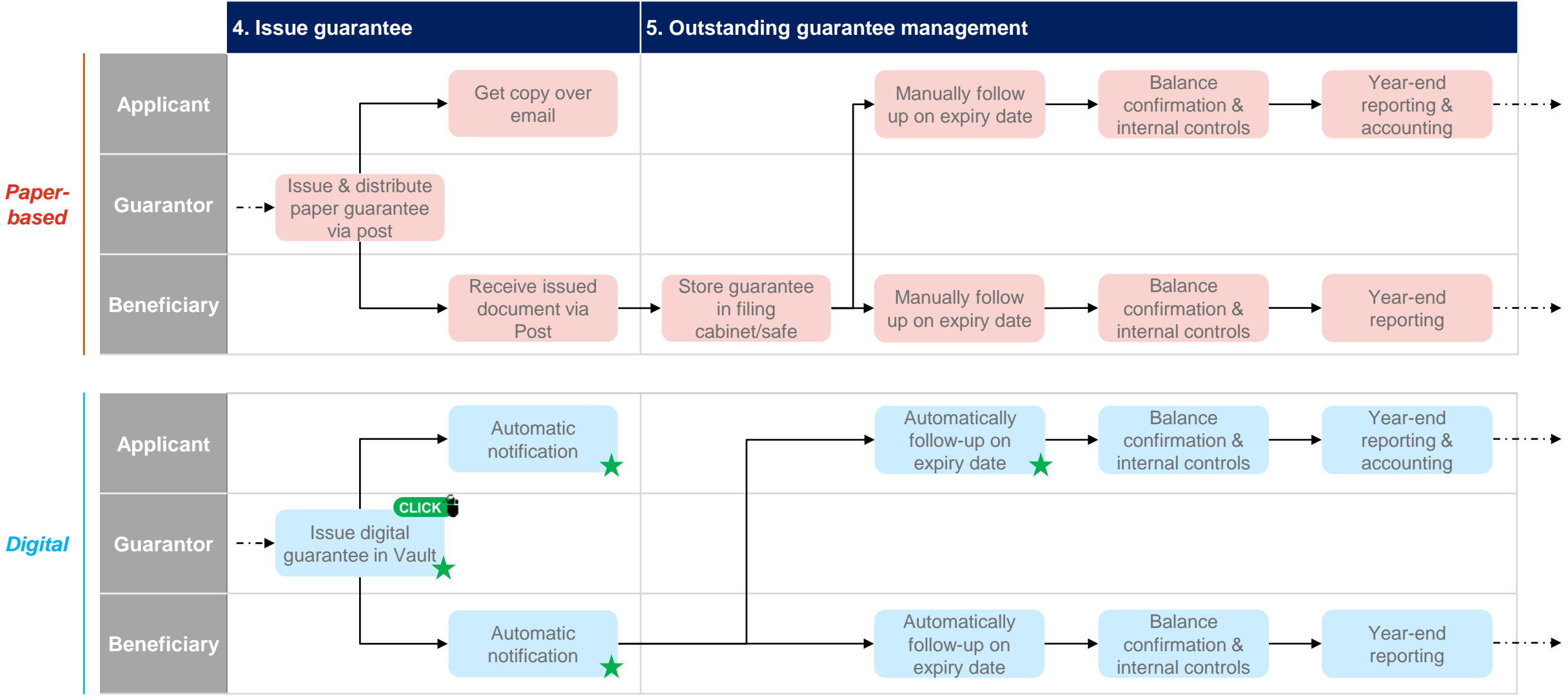


1. Guarantee process flows (1 of 7)



* Negotiation of guarantee text still happens offline

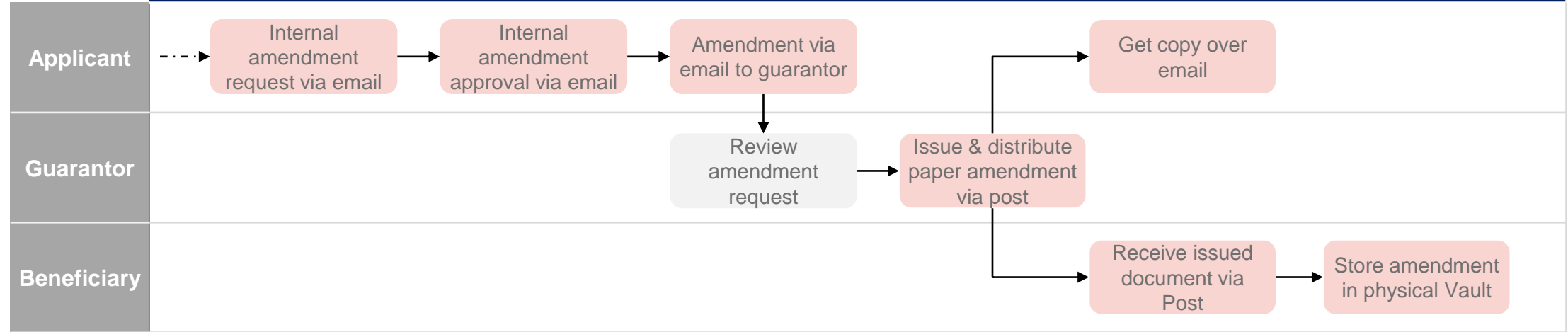
1. Guarantee process flows (2 of 7)



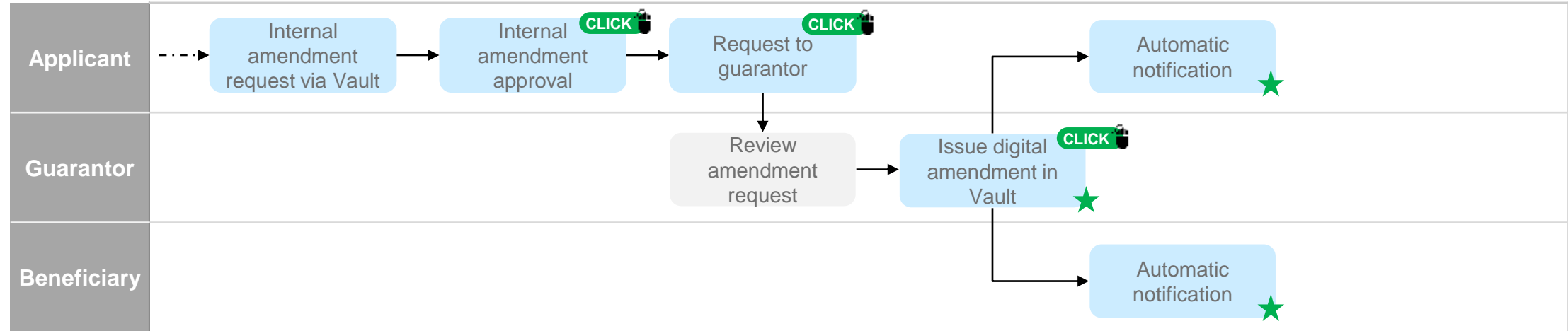
1. Guarantee process flows (3 of 7)

6. Post issuance events: amendments

Paper-based



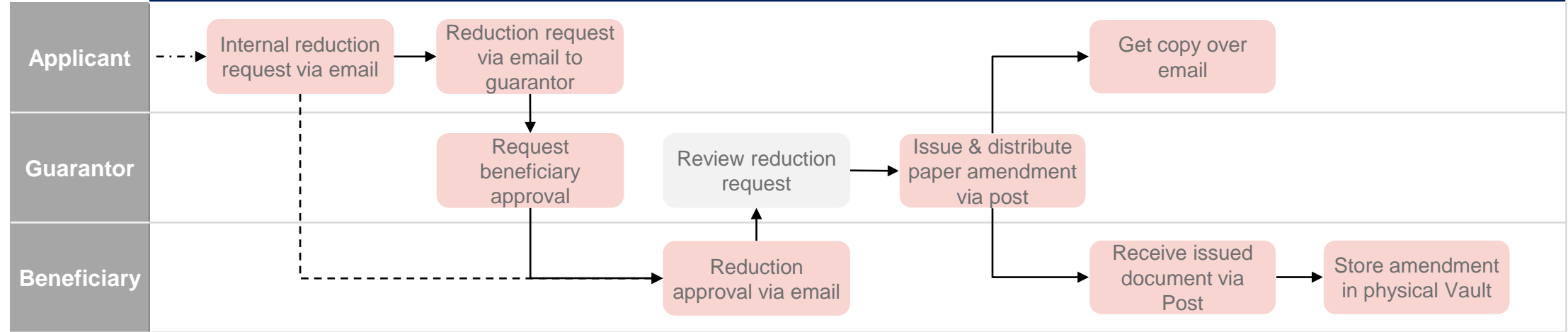
Digital



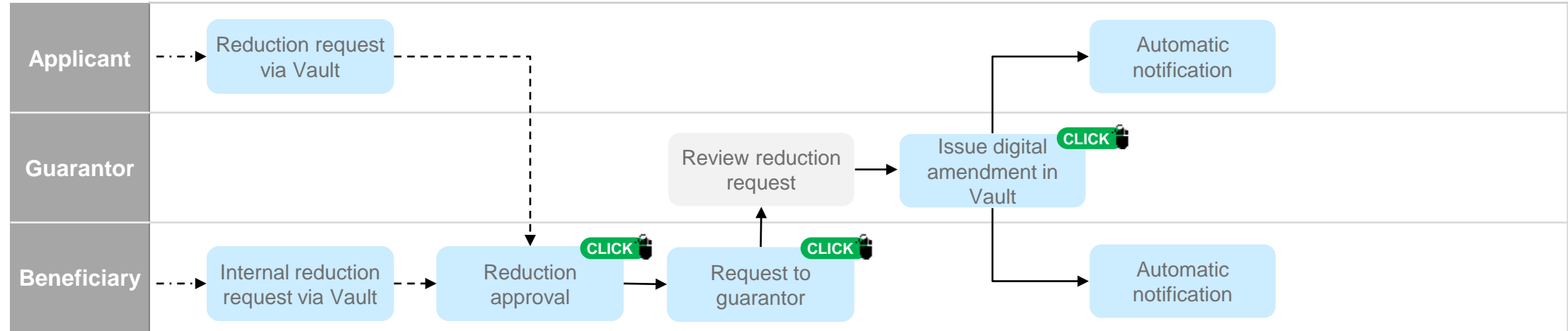
1. Guarantee process flows (4 of 7)

6. Post issuance events: reductions

Paper-based



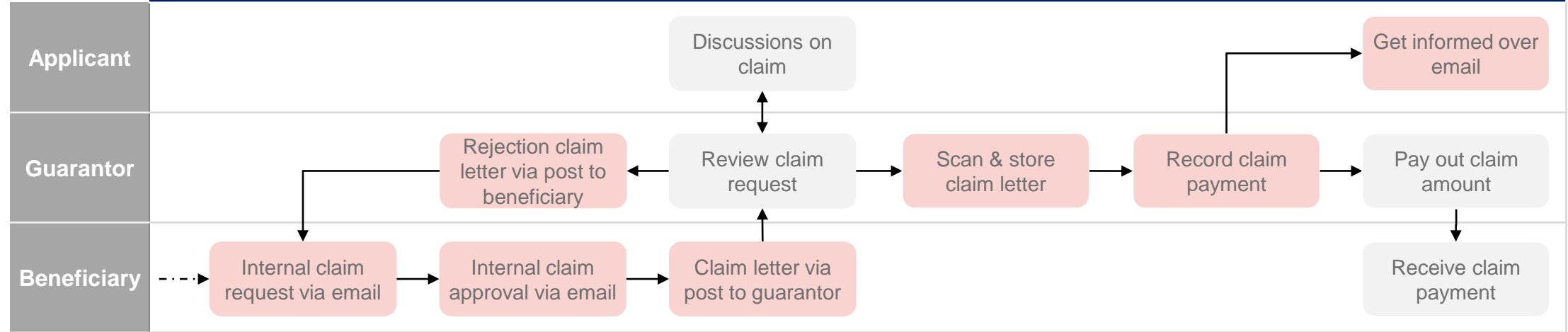
Digital



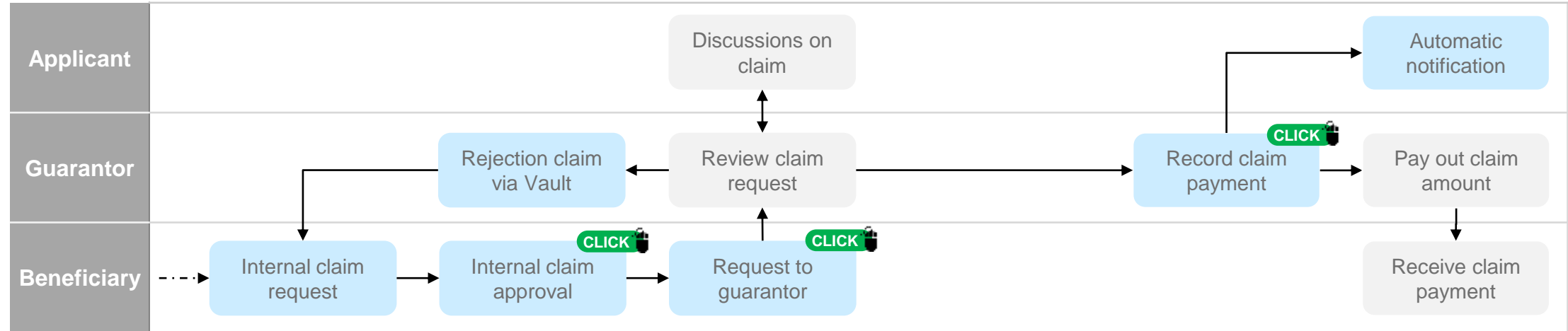
1. Guarantee process flows (5 of 7)

6. Post issuance events: claim

Paper-based



Digital

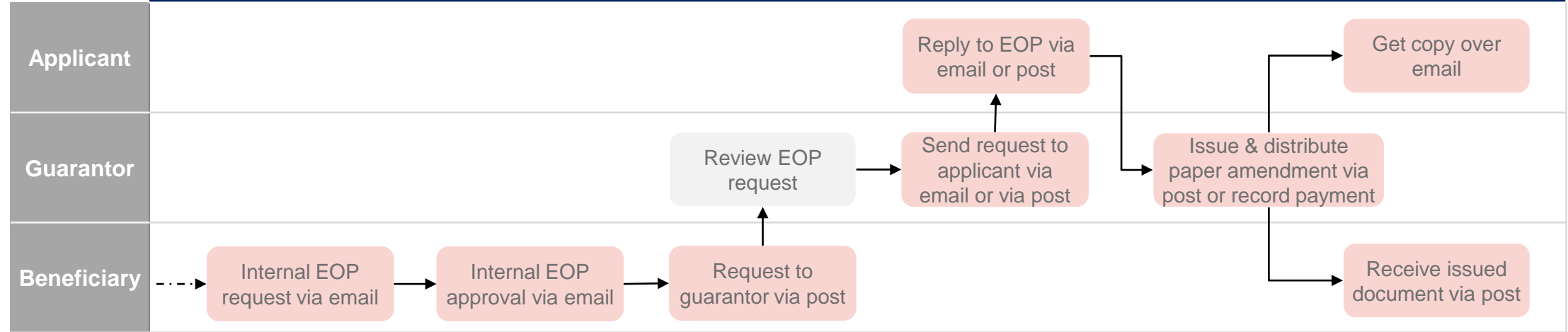


1. Guarantee process flows (6 of 7)

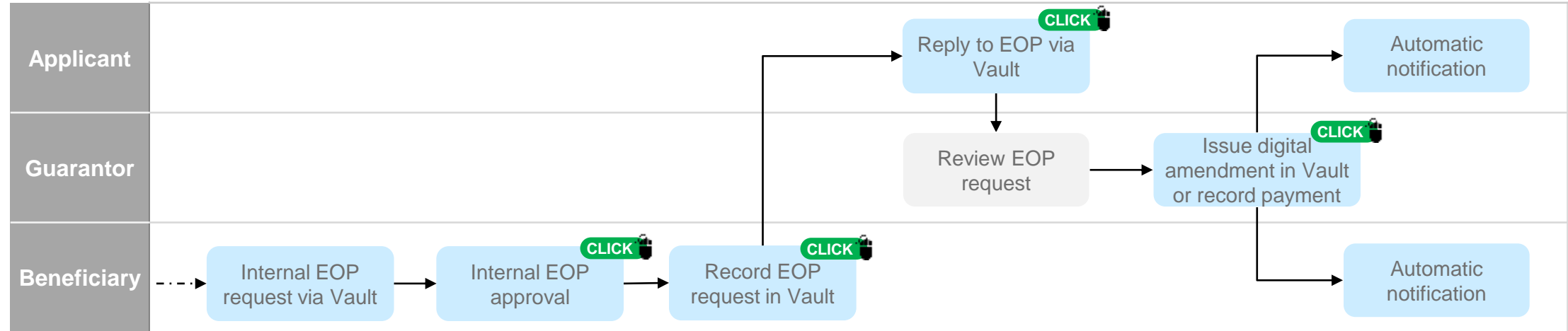
Potential future savings for indirect guarantees

6. Post issuance events: extend-or-pay (EOP)

Paper-based



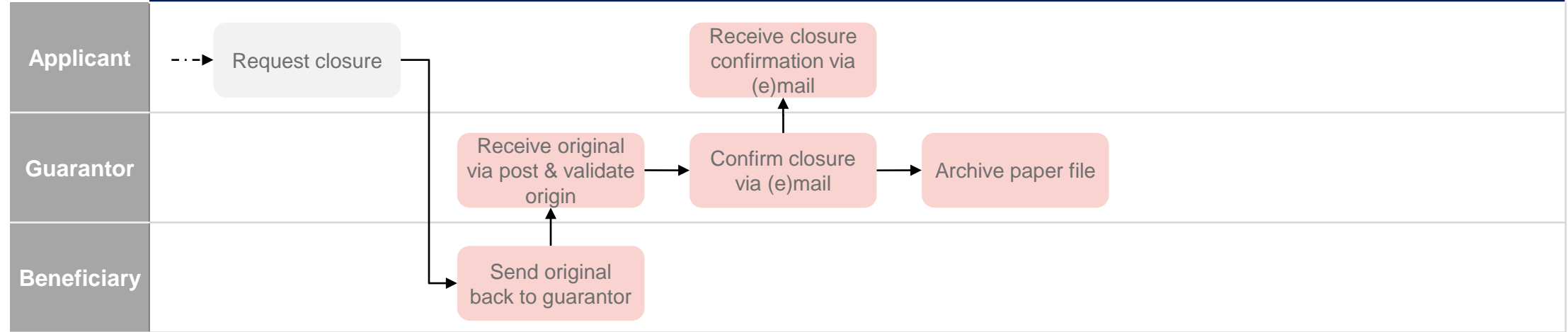
Digital



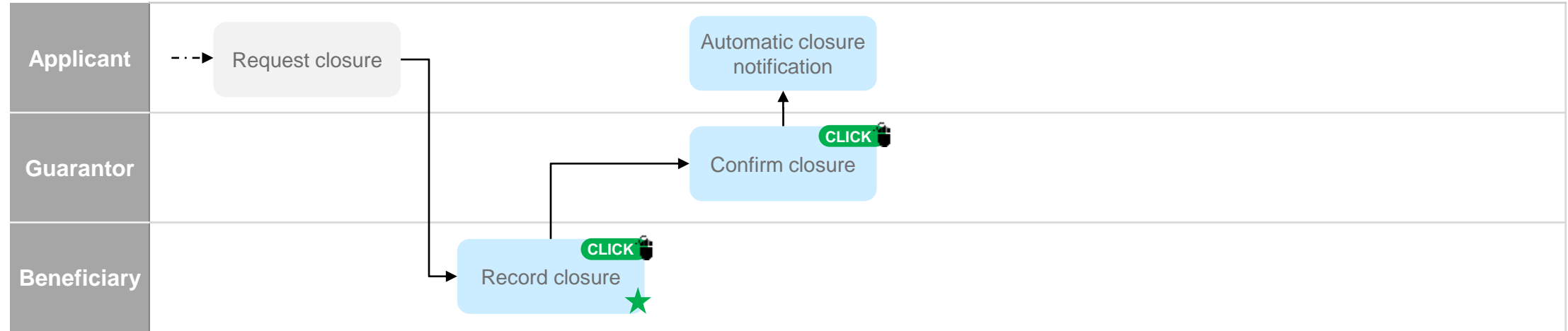
1. Guarantee process flows (7 of 7)

7. Close guarantee

Paper-based



Digital



2.

Quantitative benefits -
By labour & paper
process



2. Quantitative benefits - Applicant

Benefits specific to labour/activities

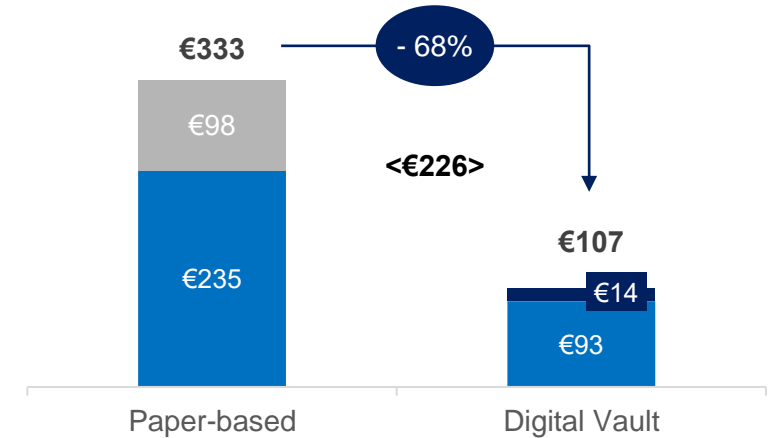
- Standard negotiated/agreed text with most counterparties in central repository
- Ability to enter request details and record approval in the Vault
- Ability to send request to the guarantor via the Vault
- Ability to negotiate changes in the Vault
- Ability to view issuance in the Vault
- More efficient follow-up on expiry & closure of guarantee
- More efficient year-end reporting, accounting, balance confirmations and internal controls
- Ability to request amendments, reductions in the Vault

Benefits of paperless guarantees

- Reduced courier & issuance fees charged by guarantor
- Guarantees not to be physically stored in binders & fireproof filing cabinets
- Originals cannot get lost via post
- Originals not to be returned via post/courier
- No physical amendments required anymore

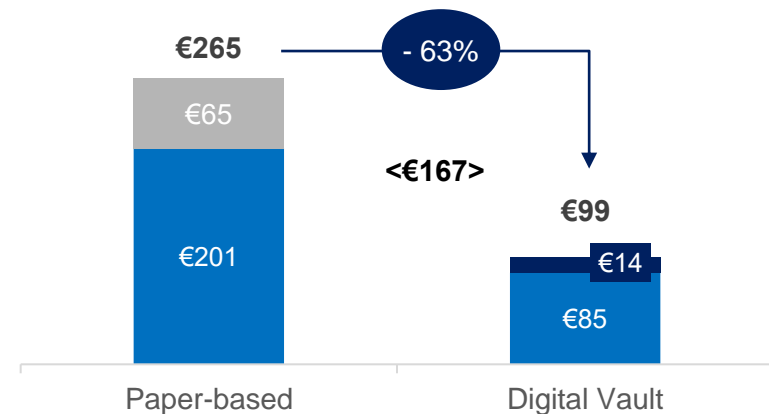
Production oriented business*:

- Paper based guar. cost
- Cost of Vault
- Labor cost



Trading oriented business*:

- Paper based guar. cost
- Cost of the Vault
- Labor cost



*Assumptions

- Production oriented business: costs for 1 guarantee, 1 amendment, 0,3 reduction & average duration of 18 months
- Trading oriented business: costs for 1 guarantee, 0,1 amendment, 0,1 reduction & average duration of 3 months
- Example for corporate with fully paper based current process
- Cost of the Vault includes transactional cost of the Vault
- API used for Digital Vault - in case API is not used: average of 15 euro less savings generated

2. Quantitative benefits - Guarantor

Benefits specific to labour/activities

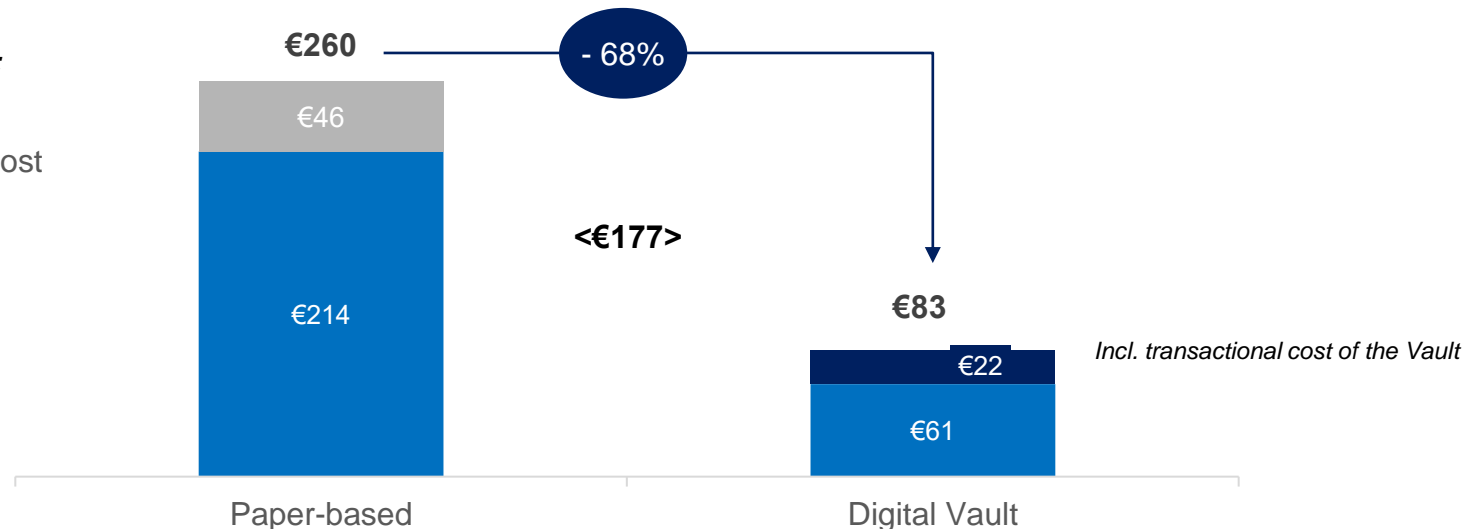
- Standard negotiated/agreed text with most counterparties in central repository
- No need to send originals (in threefold) to the applicant and/or beneficiary
- Ability to negotiate/request changes in the Vault
- Ability to record issuance electronically
- More efficient process on expiry & closure of guarantee by recording the closure in the Vault
- Ability to record and issue amendments in the Vault
- Ability to record claim payment in the Vault

Benefits of paperless guarantees

- No physical paper to be printed (paper & printing costs)
- No physical paper to be sent to beneficiary and/or applicant (post or courier)
- Originals cannot get lost via post
- No physical amendments required anymore
- No physical claim requests to be stored anymore (storage cost)
- No physical cancelation letters required anymore

Overview for 1 guarantee and 1,3 amendments over a 1,5 year period:

- Paper based guar. cost
- Cost of the Vault
- Labor cost



2. Quantitative benefits - Beneficiary

Benefits specific to labour/activities

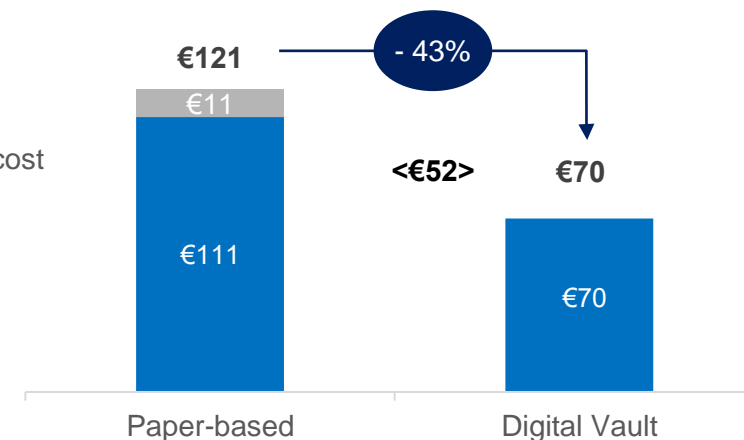
- Standard negotiated/agreed text with most counterparties in central repository
- Ability to negotiate changes in the Vault
- More efficient follow-up on expiry & closure of guarantee
- Ability to request amendments, reductions in the Vault
- Ability to request claims in the Vault
- Ability to close guarantee in the Vault
- More efficient year-end reporting, accounting, balance confirmations and internal controls

Benefits of paperless guarantees

- Guarantees not to be physically stored in binders & fireproof filing cabinets
- Originals cannot get lost via post
- No need to return originals to the guarantor (post or courier fees)
- No physical amendments received anymore (storage cost)
- No physical claim requests to guarantor (post or courier fees)

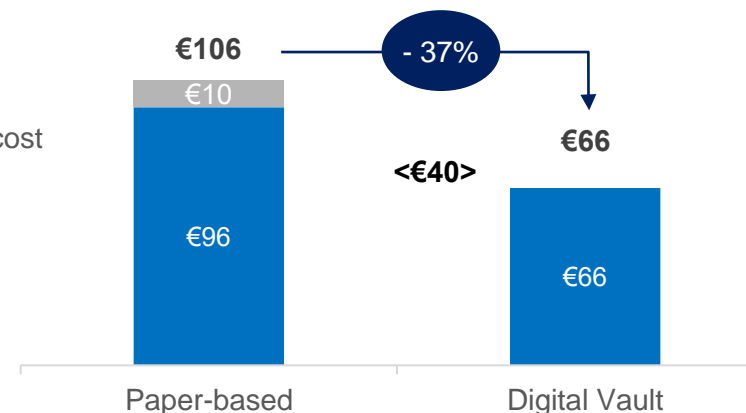
Production oriented business*:

- Paper based guar. cost
- Labor cost



Trading oriented business*:

- Paper based guar. cost
- Labor cost



*Assumptions

- Production oriented business: costs for 1 guarantee, 1 amendment, 0,3 reduction & average duration of 18 months
- Trading oriented business: costs for 1 guarantee, 0,1 amendment, 0,1 reduction & average duration of 3 months
- Example for corporate with fully paper based current process
- Digital Vault free of charge (first 2 users) - API not used

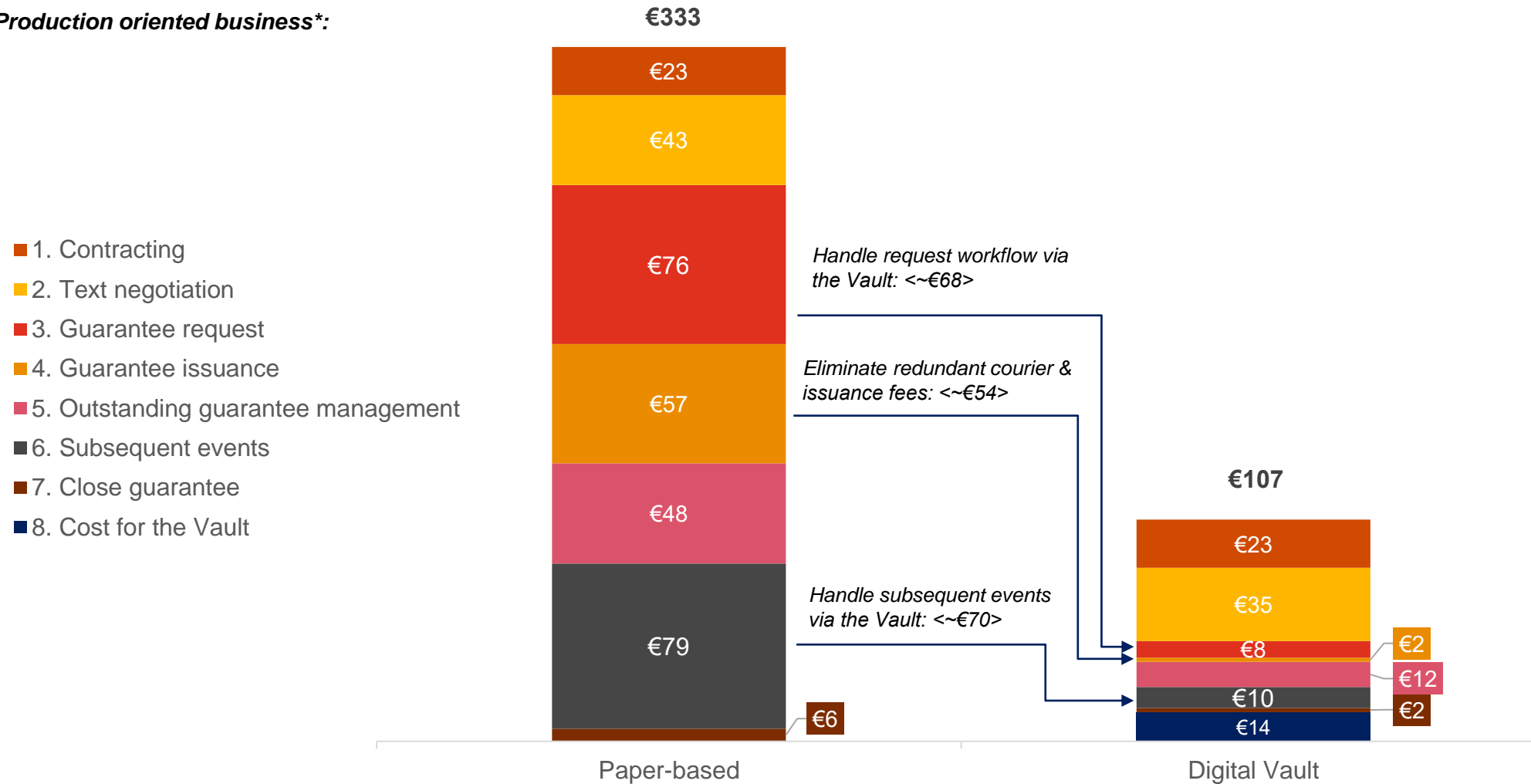
3.

Quantitative benefits -
By guarantee life cycle



3. Quantitative benefits - Applicant

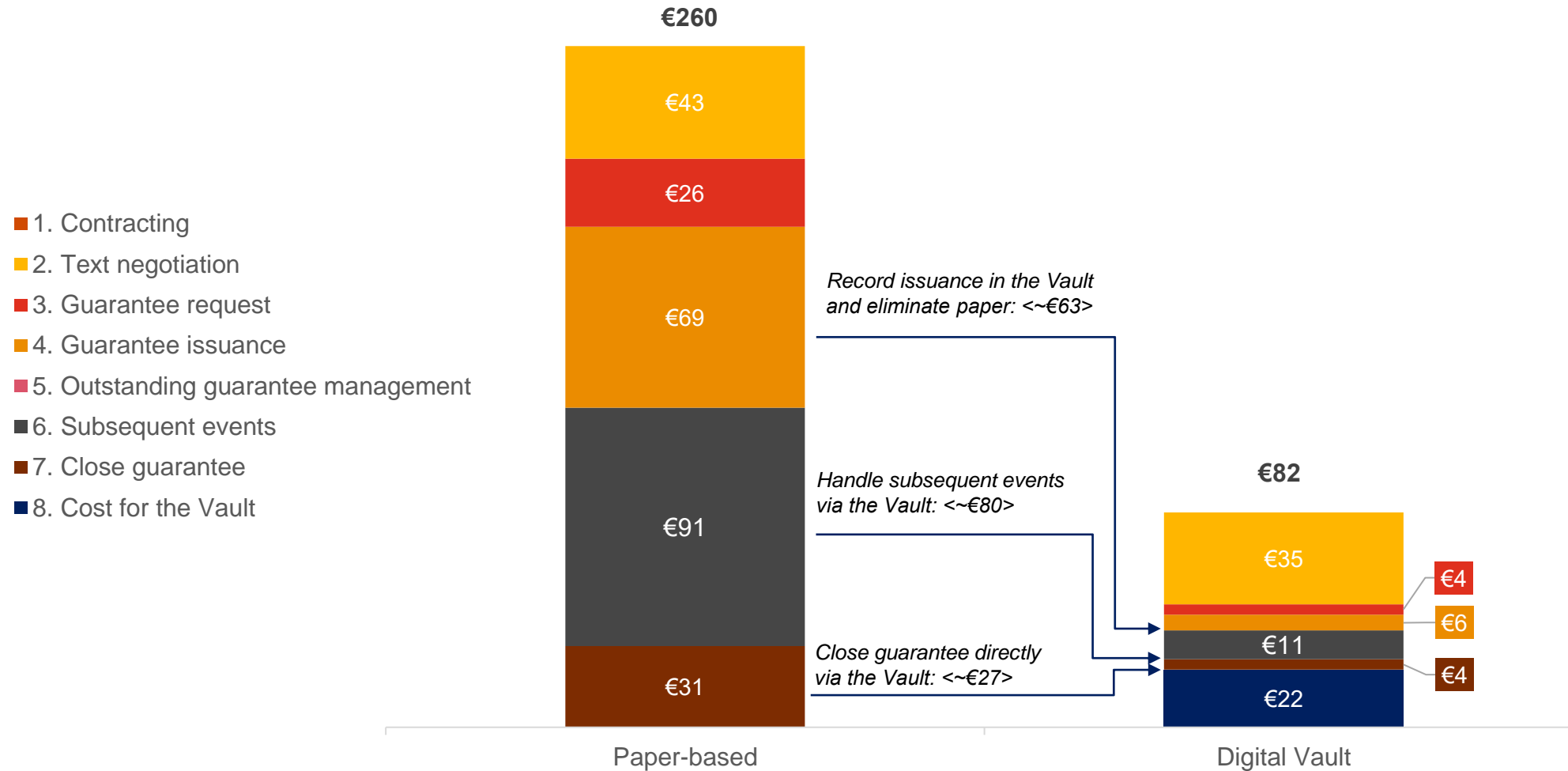
Production oriented business:*



* Production oriented business: costs for 1 guarantee, 1 amendment, 0,3 reduction & average duration of 18 months

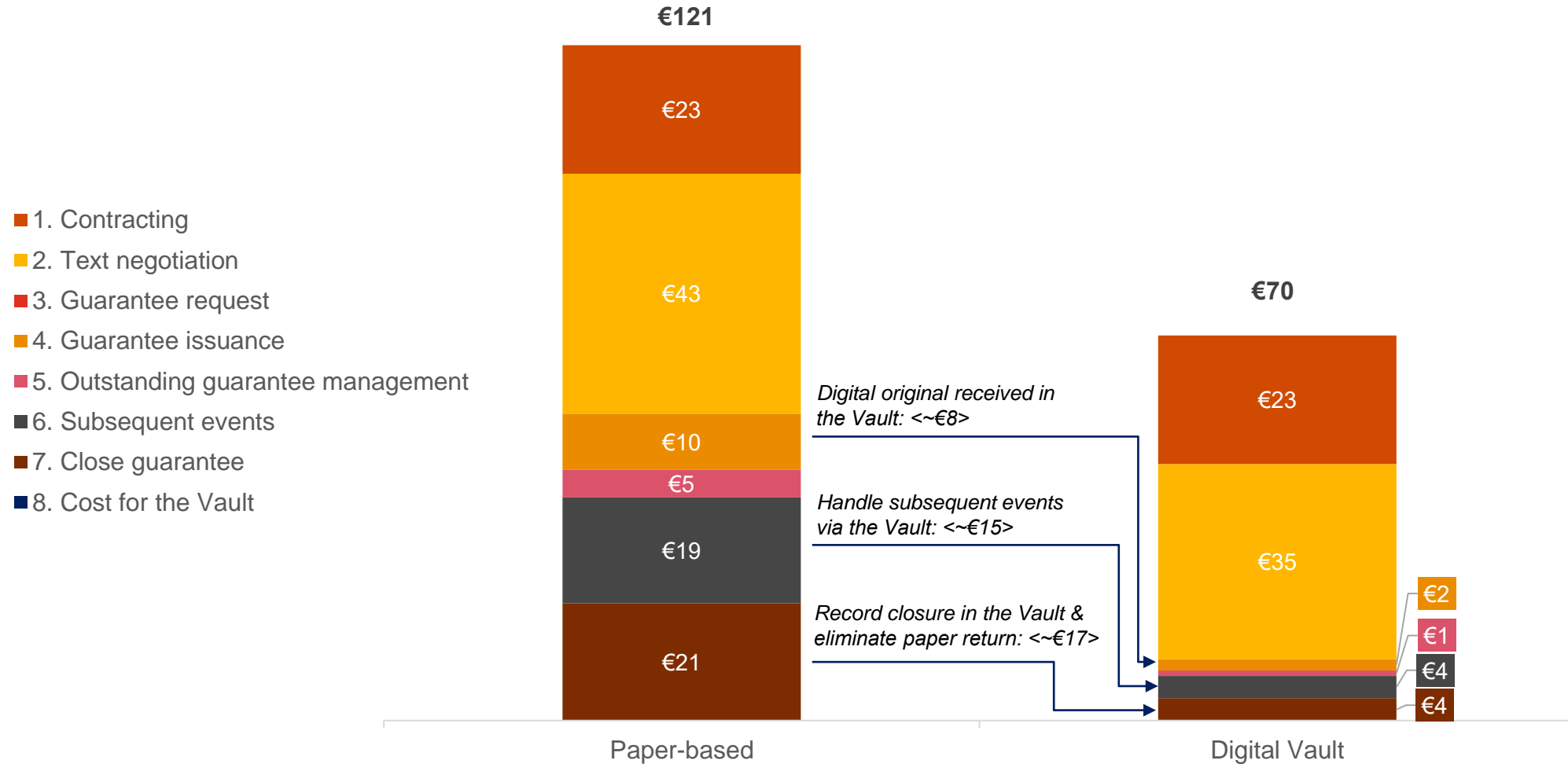
3. Quantitative benefits - Guarantor

Overview for 1 guarantee and 1,3 amendments over a 1,5 year period:



3. Quantitative benefits - Beneficiary

Production oriented business:*



* Production oriented business: costs for 1 guarantee, 1 amendment, 0,3 reduction & average duration of 18 months

+ cost of the Vault (first 2 users free of charge)

4.

Qualitative benefits



4. Qualitative benefits digital guarantees

