

# THE FUTURE OF RETAIL PAYMENTS: OPPORTUNITIES AND CHALLENGES

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Würth Finance International B.V.  
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# WÜRTH AT A GLANCE

- World market leader in the trade with assembly and connecting materials.
- From its foundation in 1945 until today Würth has been a family business, meanwhile with over 64,000 employees worldwide.
- Driving force of our success is direct selling: Every day, over 30,000 sales representatives meet 300,000 customers.
- Our core product range comprises 100,000 products.
- Annual sales 2010: EUR 8.6 billion.
- Today, the Würth Group consists of over 400 legally independent companies in 84 countries.
- Standard & Poors „A“ outlook stable

# THE CLASSICAL WÜRTH ASSORTMENT

WÜRTH  GROUP



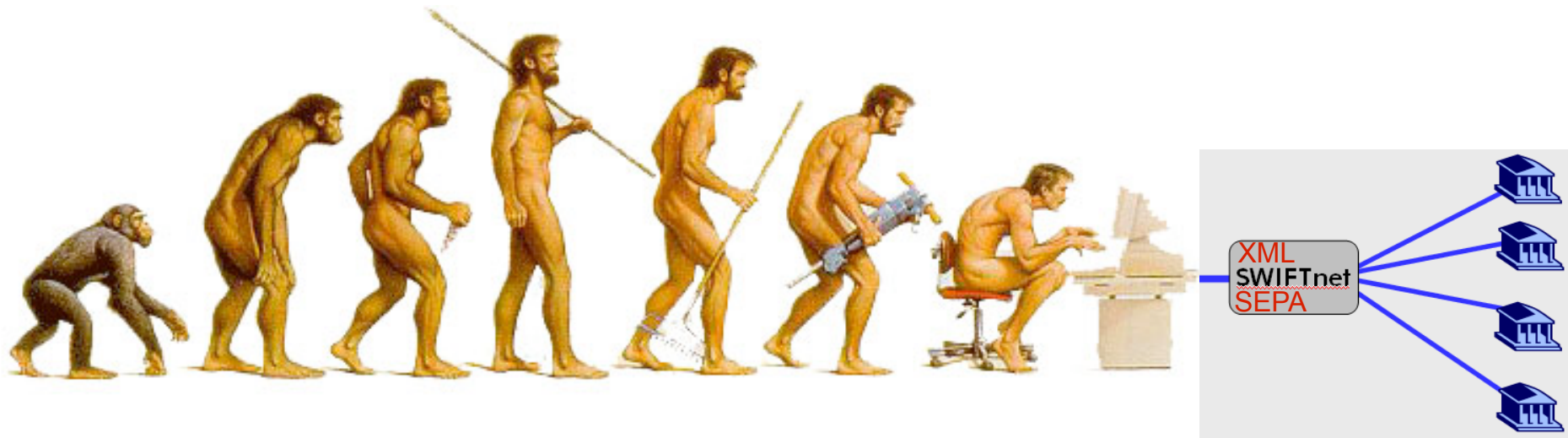
# WÜRTH FINANCE INTERNATIONAL B.V. – PAYMENT FACTORY

- In-house bank of the Würth Group, Head Office in s'Hertogenbosch (NL), branch in Küsnacht/Zurich (CH) with 57 FTE's.

## PAYMENT FACTORY:

- Payment settlement agreement with more than 3'800 suppliers
- Net result EUR 11.8 million (3.1% of Würth Group result)
- 16'000 suppliers worldwide / payment volume of EUR 2'800 million / 24 currencies
- 235'000 bank transactions (>80% SEPA transactions)
- 11'000 treasury transactions with external counterparties (banks)
- Intercompany factoring volume close to EUR 1'000 million

# EVOLUTION TO SEPA EXCELLENCE



# DEVELOPMENT OF BANKING INFRASTRUCTURE TOWARDS SEPA READINESS

- In 2004 introduction of EU- and local payments
- In 2006 first SWIFTNet MA-CUG established
- In 2008 XML/SEPA introduction
  - Reduction of 7 banking application (proprietary systems)
  - Elimination of 12 Euro denominated accounts across Europe
  - Use 5 fewer banking partners
  - Reduction in banking fees of up to 50%
  - Concentration on one multi-banking communication channel and format
  - Considerable reduction in IT support and administration costs



# OPPORTUNITIES OF SEPA

- Perfect opportunity to develop payment factory , upgrade systems, optimize processes, standardize payment formats and drive down costs significantly
- Würth Finance offers Würth Group companies „SEPA readiness“
- Bargaining power by centralizing volumes
- Opportunities for banks gaining new volume and new customers
- Flexibility of changing counter party

# CHALLENGES OF SEPA

- Attractiveness for locally operating companies?
- Prerequisite of considerable high investment / administrative burden
- Uncertainty of possible national SEPA formats
- No “end-date regulation” in place
- Reduced IT budget and willingness to invest during financial and economic crisis
- Vision: develop **SEPA II** – Single **European** Payments Area, including non-Euro currencies, e.g. GBP, DKK, SEK, etc.



THANK YOU FOR YOUR ATTENTION

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