VISA COMMERCIAL

2007 Visa Global Cash Management Survey

Companies are looking increasingly at ways to improve the efficiency of their payment and cash management processes in an ever more competitive business environment. As part of an ongoing effort to understand and improve business payment processes, the Visa Global Cash Management Survey measured key trends in the attitudes and opinions of corporate financial executives regarding their cash management processes, while identifying opportunities for improving the efficiency of those processes.

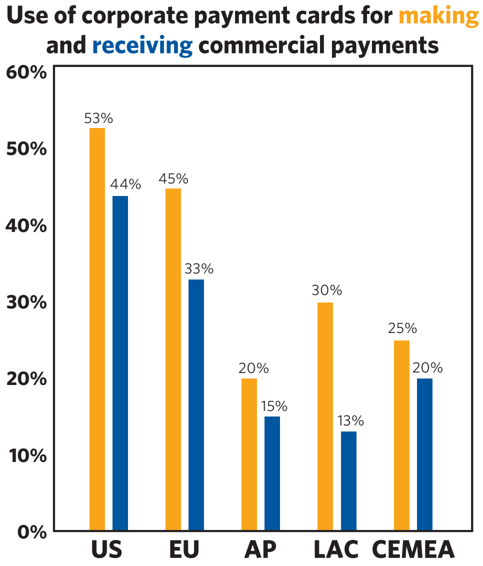
Recognizing today's competitive and global marketplace, Visa conducted this survey to provide a global view of cash management practices. This study was undertaken in an effort to set a baseline in order to better understand the trends in payment processes and the issues facing financial executives in large and middle-market companies worldwide.

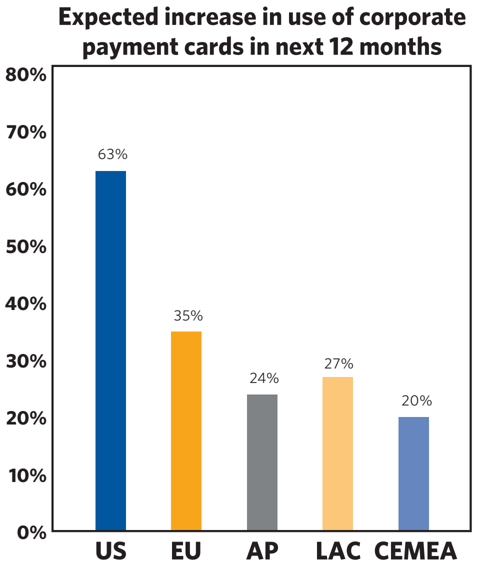
Study Overview

Scope

The 2007 Visa Global Cash Management Survey was conducted in two phases. Phase I involved an Internet survey of 400 senior U.S.-based executives responsible for the financial, treasury and cash management decisions of their organizations. Spanning more than 20 industries, the majority of respondents (85 percent) represented companies with annual sales of more than US$50 million — of which 56 percent represented companies with sales of more than US$500 million annually.

Phase II involved in-depth telephone interviews with approximately 400 treasury and cash managers and chief accounting officers at companies with more than 100 employees and annual sales of at least US$25 million. The interviews were completed in four regions, including Asia Pacific (AP); Central and Eastern Europe, Middle East and Africa (CEMEA); Western Europe (EU); and Latin America and the Caribbean (LAC). These results provided additional insights that complement the U.S. results and help to gauge the overall use and perceptions of corporate payment cards worldwide. Corporate payment cards are payment and expense management solutions with information management services that are designed to help businesses and the public sector achieve cost savings and greater efficiency, control and convenience.





Key Findings

Corporate Payment Card Usage Varies by Region

The global survey found a reasonably wide disparity in the adoption and perception of corporate payment cards as a means of making and receiving business payments. In the U. S., 53 percent of those surveyed use corporate cards to make payments and 44 percent use cards to receive payments. EU is second with 45 percent of companies using corporate cards to make payments and 33 percent to receive payments. The other regions trail EU and the U.S. with 20 percent of companies in AP using cards to make payments and 13 percent using cards to receive payments, and LAC where 33 percent of respondents said they use corporate cards to make payments and 13 percent to receive payments. In CEMEA, 25 percent use corporate cards to send and 20 percent use them to receive payments. These current adoption rates point to greater opportunities for the integration of corporate payment cards into companies' cash management practices.

Intention to Increase Payment Card Usage

The U.S. and EU are leading the charge to increase the percentage of payments they place on commercial cards. The survey found that respondents worldwide are looking for corporate cards to provide benefits that are not available through other payment methods. In the U. S. nearly two companies in three, and in EU more than one company in three, plan to increase their use of corporate payment cards and decrease their reliance on checks in the near future, specifically in the next 12 to 18 months. In AP, LAC, and CEMEA, the proportion is more than one company in four.

Compared to other forms of payment, respondents expressed the least satisfaction with checks as a means of making payments. Forty percent of respondents in the U.S. say checks represent more than half of all payments made, which represents a significant decline from 66 percent in 2005. The global survey supports the growing industry trend, including U.S. survey results, that financial executives' and cash managers' preference for checks as a commercial payment tool is declining as satisfaction with and use of electronic payment methods such as corporate payment cards, is rising. The increasing popularity of electronic payments is attributed to companies seeking solutions that optimize payment and expense management information to help them make better business decisions.

Companies believe that corporate payment cards will reduce costs and enable greater cash flow management as a result of more transparent financial data for account payables and receivables. As a result, it is not surprising that more than half of the companies surveyed outside of the U.S. report using checks for less than 20 percent of their payments. As more financial executives discover the inefficiencies of the cash management process, the survey found that they also recognize the potential benefits of utilizing corporate payment cards as an effective cash management tool.

Importance of Financial Transparency Cited

In general, over 80 percent of companies recognize that the most important capability of electronic payment methods is to provide easier access to more transparent financial data. Companies ranked online access to payment and invoice-related detail as a close second. In addition, companies believe that electronic payments provide:

- Automated information reporting and back-end integration capability
- Ability to process high-value payments
- Ability for the buyer to control the amount and frequency of payments
- Ability for the buyer to initiate payments
- Ability for the buyer to defer settlement of funds

Reasons for Current Cash Management Inefficiency Vary

Companies worldwide view their current cash management process as inefficient, primarily because of labor-intensive administrative work and inadequate information and reporting capabilities. Reasons for cash management inefficiency vary by region:

- In EU, LAC, and CEMEA, cash positioning and forecasting is seen as the least efficient process
- In the U.S. and AP, collection and application is seen as the least efficient process
- In LAC, disbursements are viewed as the least efficient process

Cash Management Inefficiencies a Global Issue

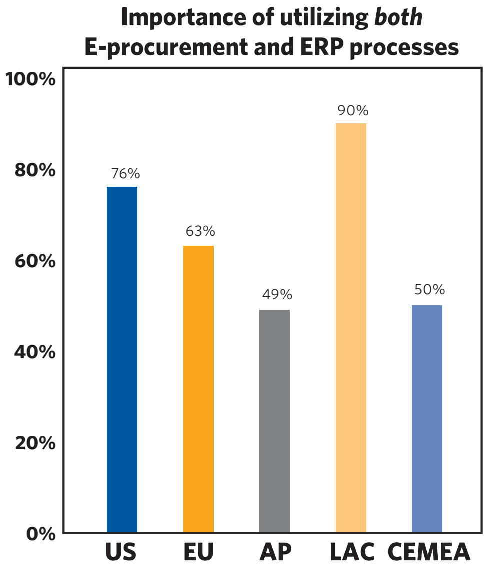
Financial executives at companies across the world agree that labor-intensive administrative work is the number one challenge contributing to cash management inefficiencies. In fact, for almost one in every two companies in the regions outside the U.S., streamlining processes was cited as the number one or two reason for integrating corporate cards with their cash management processes.

In the U.S., awareness of cash management inefficiencies among financial executives appears to be growing. The survey also found that inadequate information and reporting capabilities was next on the list of factors contributing to inefficient cash management processes. As awareness of these contributing factors to cash management inefficiency grows, the results indicate a trend in which financial executives are taking steps to improve their processes and realize cost savings resulting from improved process efficiency.

Improved Efficiency Through Corporate Payment Cards

In the U.S. and EU, availability of transaction data for spend analysis was respondents' number one reason for integrating corporate cards, followed by enhanced compliance with corporate policies and procedures, and the use of transaction data to improve vendor negotiations. In LAC, AP and CEMEA, automation and process streamlining was the number one reason cited for integration.

The U.S. survey found that a growing number of financial executives recognize the contribution of corporate payment cards to improving efficiency of the overall cash management process. Nearly three-fourths of respondents (73 percent) said that corporate payment cards were relevant when both making and receiving commercial payments. When comparing 2006 to 2005 survey results, an increasing number of U.S. respondents identified key areas where payment cards have helped improve efficiency, including help with collections, providing new levels of data and giving more visibility into the cash position.



Achieving Efficiency Through E-Procurement Integration

Global survey respondents identified numerous benefits of corporate payment card integration with e-procurement and Enterprise Resource Planning (ERP) processes. The top three reasons for integrating corporate payment cards included:

- Process streamlining leading to cost reduction
- Automating expense reconciliation processes
- Availability of transaction data for spend analysis

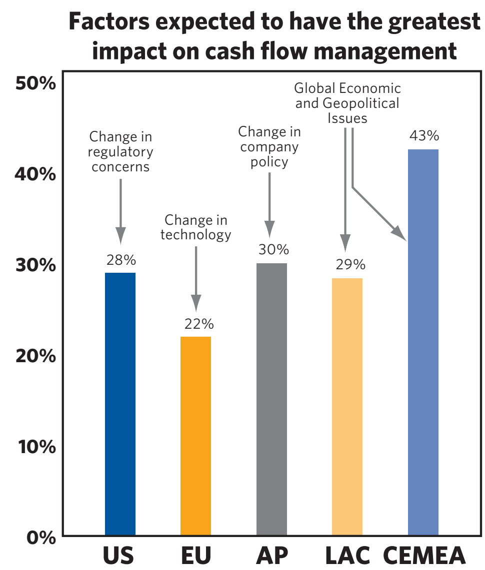
Utilizing e-procurement and ERP processes is considered a more pressing priority in LAC and the U.S., with 90 percent of Latin American respondents and 76 percent of respondents in the U.S citing it as a priority.

In the U.S. survey, achieving more streamlined processes and cost savings were the primary reasons cited for payment card integration. Key findings in this area included:

- A large majority (76 percent) said utilizing both e-procurement and ERP processes was important to their business
- An even larger majority (93 percent) have integrated corporate payment cards with their e-procurement and ERP processes, with 71 percent using cards for at least 25 percent of their total transactions

Impacts on Cash Flow Management

Overall, companies in the U.S. and AP recognize the benefits of corporate payment cards to improve cash flow management, while other regions recognize the opportunity to learn more about the subject. According to the global survey, internal and external factors are recognized as having the greatest impact on companies' cash flow management.



The global survey found that internal factors, including changes in corporate policy and technology, positively impacted companies' ability to manage cash flow during the past year, especially in LAC and CEMEA. External factors, such as tax law changes and economic and geopolitical issues, most negatively affected companies' ability to manage cash flow during the past year.

Looking forward, the global survey found that CEMEA anticipates that external factors, especially global economic and geopolitical issues, will greatly benefit companies' cash flow management capabilities, while AP and the U.S. anticipate that internal changes to corporate regulatory policy may prove more challenging to cash flow management. Importantly, as survey results have indicated, there still remain great opportunities for the integration of corporate payment cards into companies' cash management practices.

About the Surveys

The Visa Global Cash Management Survey international phase was completed by Penn, Schoen & Berland Associates, Inc., an independent market research firm, and Burson-Marsteller, a global public relations and public affairs firm. The U.S. phase was conducted by Survey.com. The objective of the global survey was to examine the use of and perceptions about corporate payment cards worldwide.

Note: Survey results are provided for informational purposes only and should not be relied upon for marketing, legal, regulatory or other advice. Visa is not responsible for your use of the survey results, including errors of any kind, or any assumptions or conclusions that you might draw from their use.