

Treasury Strategies' Quarterly Corporate Cash Briefing™

Presented by:

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10 January 2013



Treasury
Strategies.

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Agenda



Corporate Cash Levels

Treasury Strategies' 2013 Outlook Survey: Findings and Highlights

What Treasury Strategies' Clients are Saying

Treasury Strategies' Advice to Clients





Corporate Cash Levels



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US Corporate Cash



The US Federal Reserve reports US corporate cash as of September 30, 2012 was \$1.73 trillion, a 2.5% increase from the prior quarter.



Source: Federal Reserve, Treasury Strategies





UK Corporate Cash



The Office of National Statistics reports UK corporate cash as of September 30, 2012 was £0.69 trillion, a 4.5% decrease from the prior quarter.



Source: Office of National Statistics, Treasury Strategies

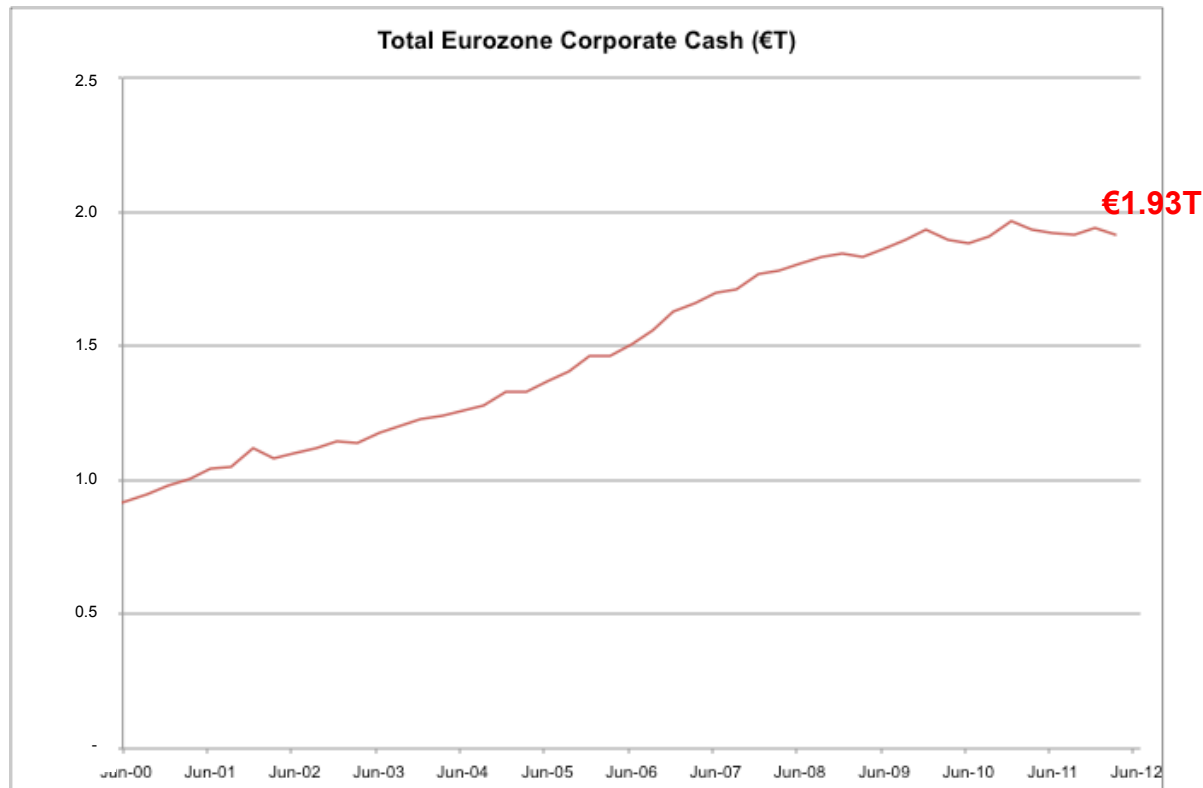




EU Corporate Cash



The European Central Bank reports EU corporate cash as of June 30, 2012 was €1.93 trillion, a 0.40% decrease from the prior quarter.

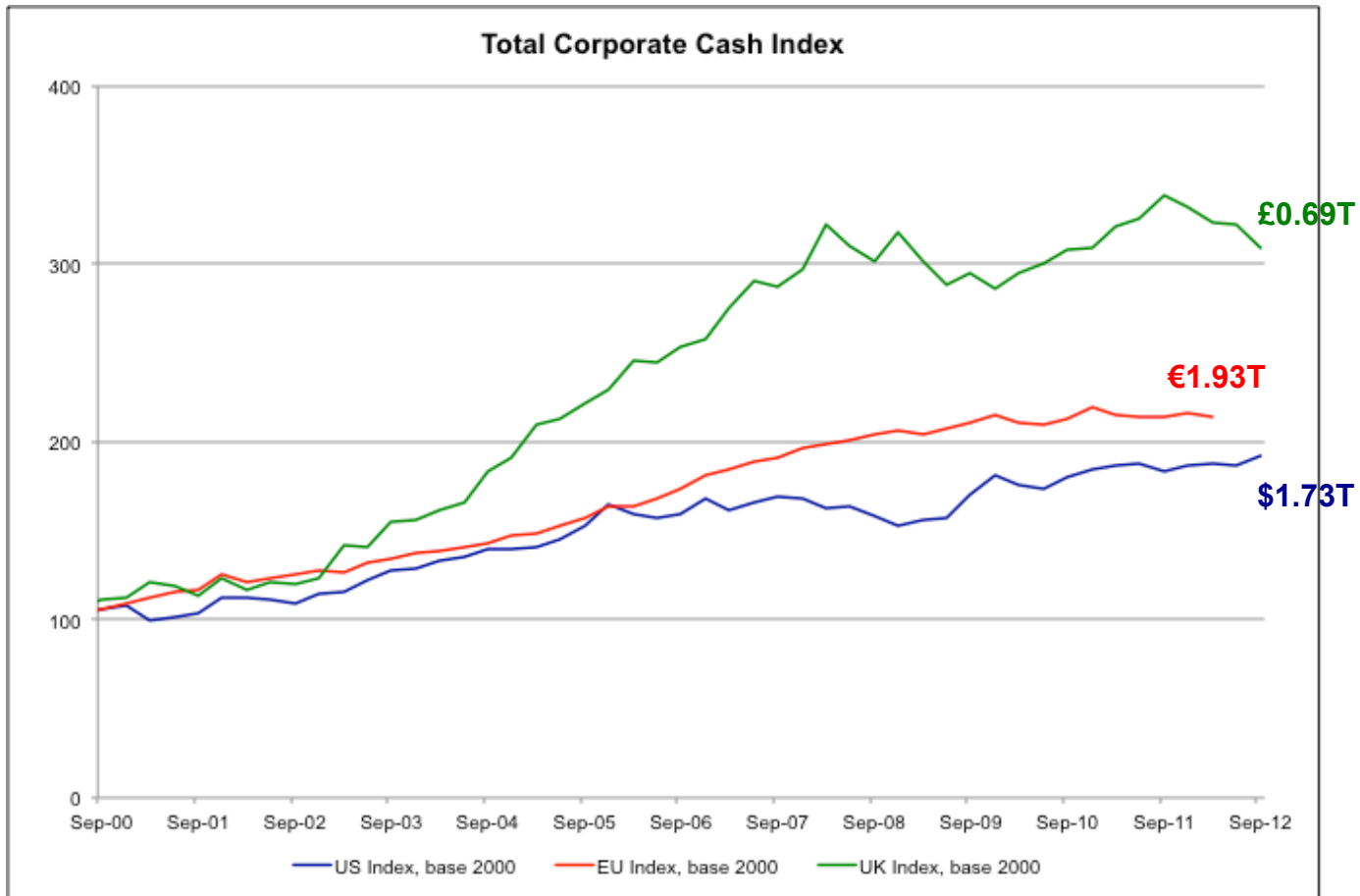


Source: European Central Bank, Treasury Strategies





Corporate Cash Index

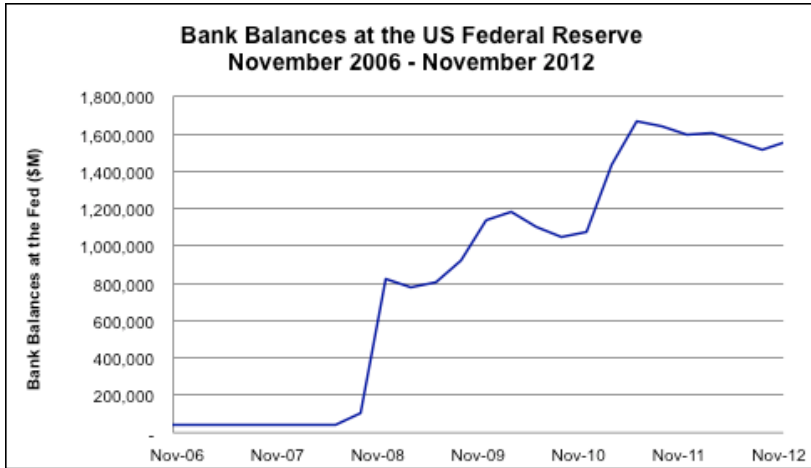


Sources: Treasury Strategies, Federal Reserve, European Central Bank, Office of National Statistics
Note: 1Q 2000 = 100

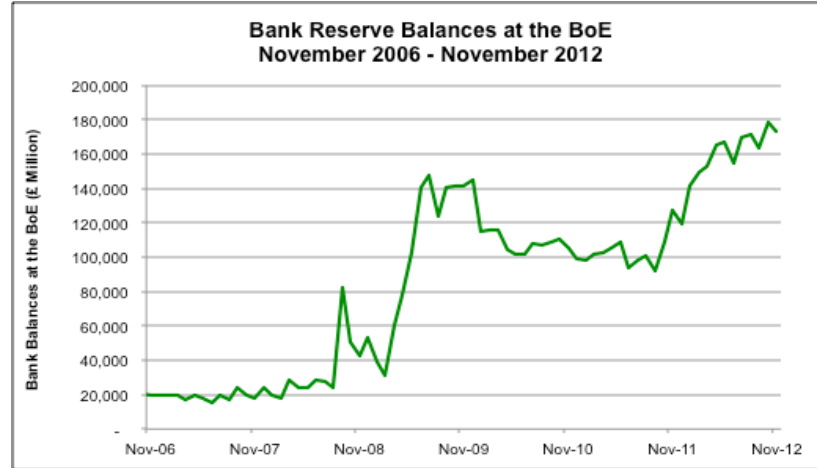




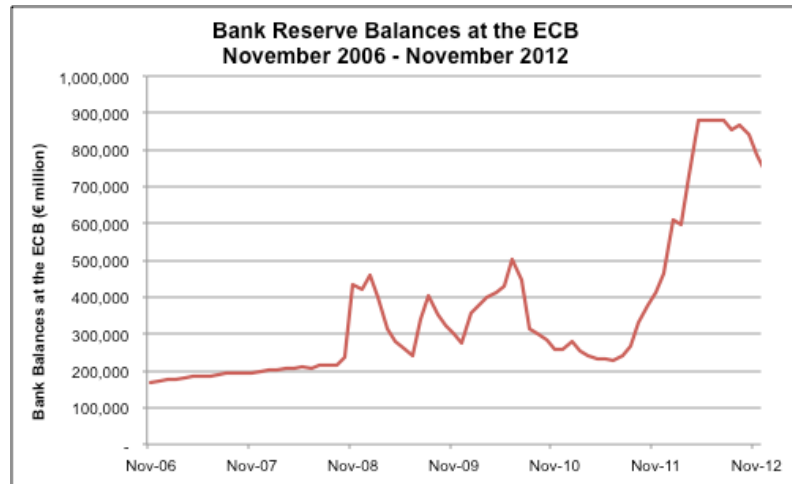
Reserve Balances



Source: Federal Reserve H3 Report, Treasury Strategies



Source: Bank of England, Treasury Strategies



Source: European Central Bank, Treasury Strategies





Corporate Cash as % GDP by Region



Country/Region	Sept 2000	Sept 2012
United States	10%	11%
Eurozone	14%	21%
United Kingdom	26%	47%

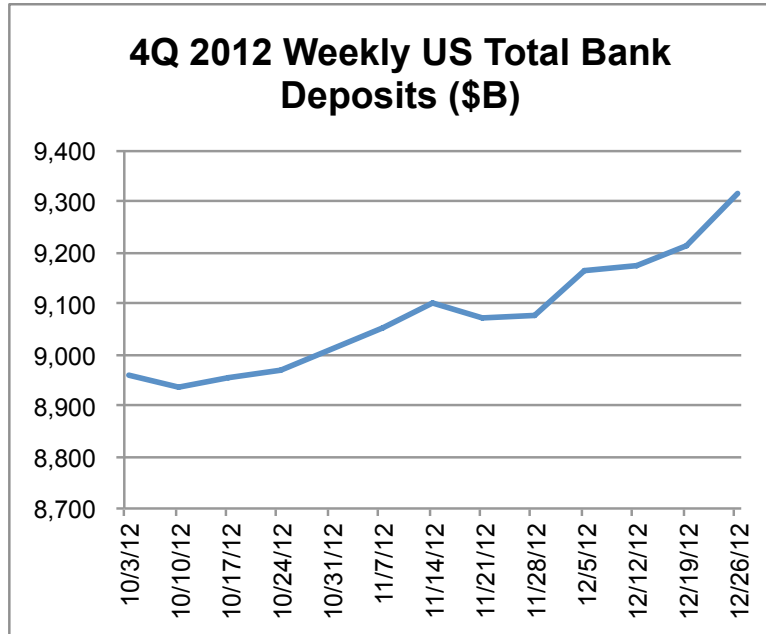
Source: Treasury Strategies' estimate

Down from 50% from the prior quarter



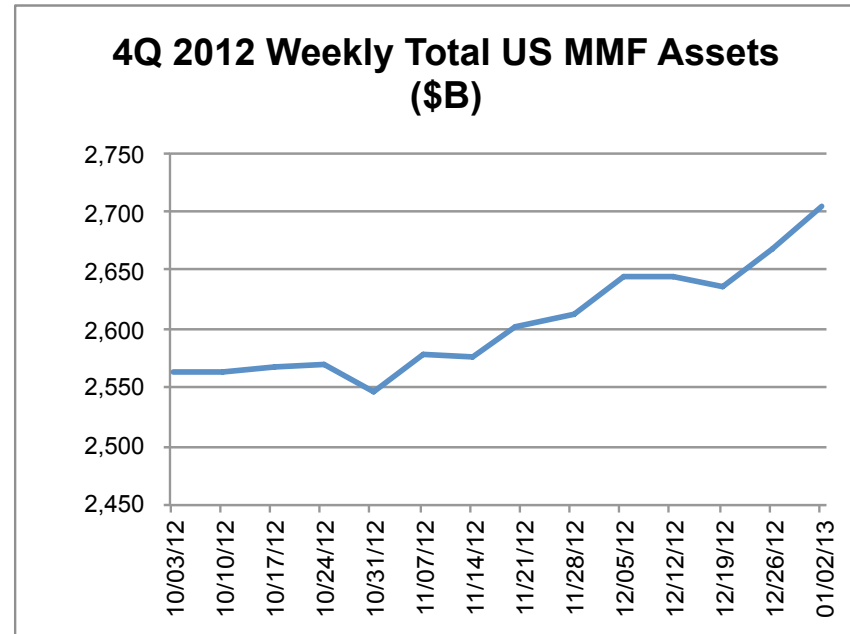


Global Implications of the US Experience with TAG Expiration



Source: Federal Reserve H8 Report, Treasury Strategies

Growth of \$357B (4%)



Source: Investment Company Institute Money Market Fund Assets, Treasury Strategies

Growth of \$140B (5.5%)





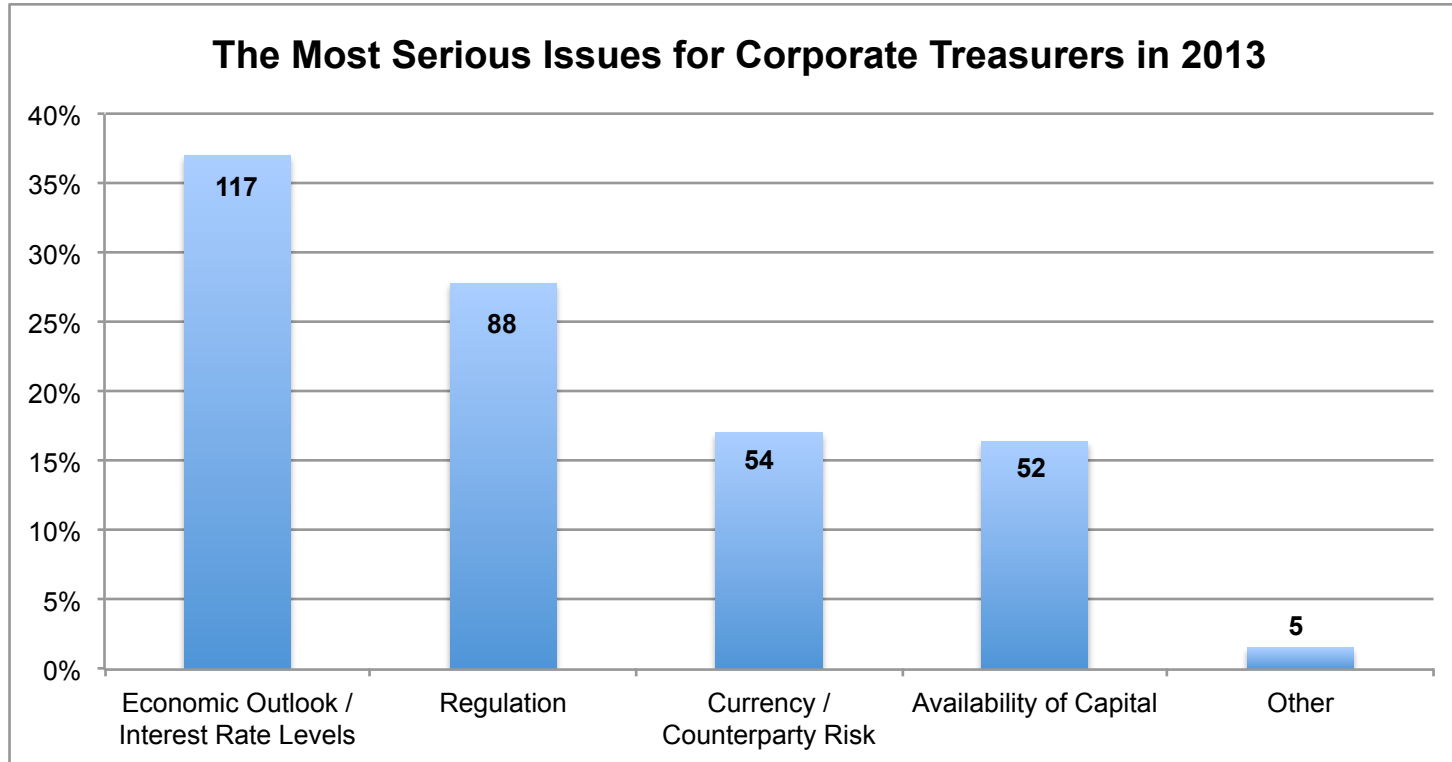
Treasury Strategies' 2013 Outlook Survey: Findings and Highlights



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What Are The Most Serious Issues For Corporate Treasurers In 2013?

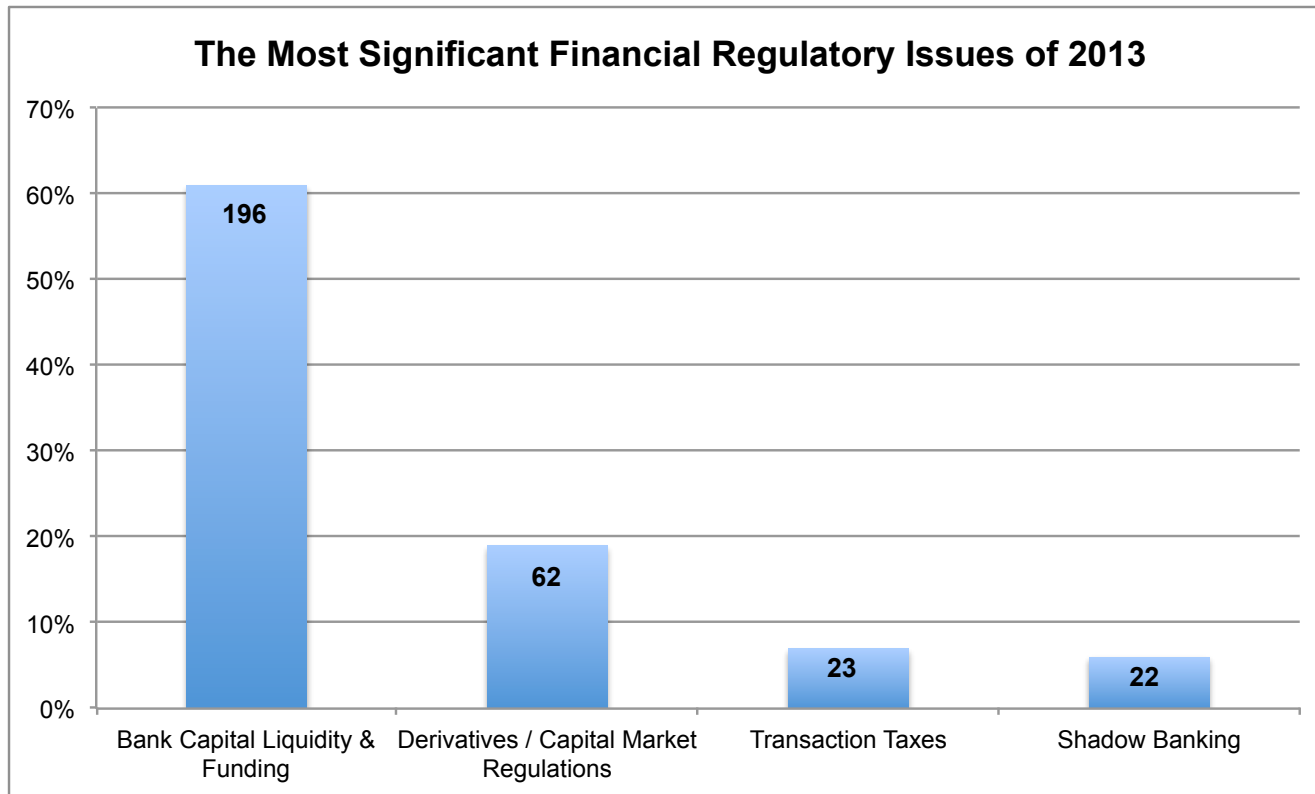


Source: Treasury Strategies' Research January 2013
Treasury Strategies' Treasury Management Group on LinkedIn <http://www.linkedin.com/e/vgh/50323>





What Will Be The Most Significant Financial Regulatory Issues of 2013?

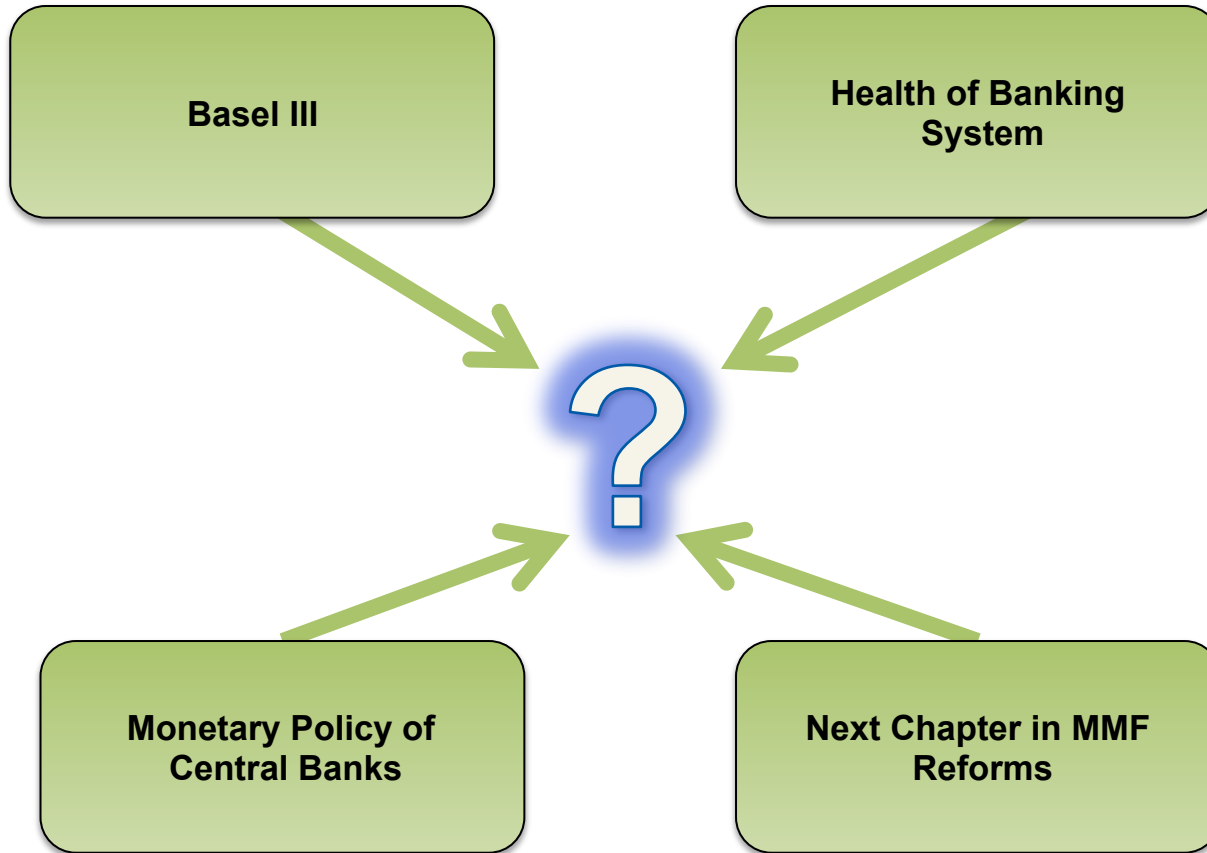


Source: Treasury Strategies' Research January 2013
Treasury Strategies' Financial Services Regulation Group on LinkedIn <http://www.linkedin.com/e/vgh/1799642>





Potential Game Changers





What Treasury Strategies' Clients Are Saying



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What Treasury Strategies' Clients Are Saying: The Most Serious Issues for Corporate Treasurers in 2013



"...Regulation is an unfamiliar territory which is not in their [corporate treasurers] hands and *for* which they cannot really estimate the impact of the change it brings..."

"All topics are serious issues in 2013 but I think the most serious one will be the availability of capital."

"Regulation and counterparty risk..."

"...somewhat agree because interest rates and FX rates are hedge-able and thus manageable..."

"Availability, adequacy, and cost of capital will be vital issues and cash management will need greater attention."

"Definitely regulation... Dodd-Frank, FSA's RDR for a start; Swiss secrecy/tax regulations, etc... Loads of work involved – a need to adjust systems and processes."





What Treasury Strategies' Clients Are Saying: The Most Significant Financial Regulatory Issues for 2013



“Living with regulations:

- Basel III & efforts to balance capital requirements, regulations & enforcements
- Mobile Banking & other electronic banking tools
- Skills of regulators”

“...Derivatives/capital market regulations as “flight to quality” continues; corporates’ need for finance strengthens, and the destination markets try to sustain growth...”

“Bank capital regs are becoming heavier, but I don’t think the stability problems can be solved as riskier activities will be transferred to other institutions, mainly in the shadow banking area.”

“Apart from the regulatory issues, liquidity will be a key issue. Entire economy revolves around it...”

“...Changes in the derivatives markets & capital markets will drive large changes in the coming years, particularly in how corporations fund themselves & how banks will operate in these markets...we will not see this come in 2013, but the changes in the regulations in 2013 will be a key component to that change.”

“Well, I think it is shadow banking which has caused the distractions in the global economies and...since the transactions under the shadow banking system are not regulated by the authorities...there should be a mechanism to regulate the transactions...”





Treasury Strategies' Advice to Clients



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Treasury Strategies' Advice to Clients



Key themes emerging from our work with Corporate Treasurers:

- Improve treasury technology – ensure global visibility of cash and risk
- Strengthen treasury organization and processes
- Take advantage of current interest rates
- Develop analytics to simulate the unknowns
- Create a roadmap to a Treasury 3.0[®] environment

Disclaimer:

Treasury Strategies' recommendations are situation-specific and based upon careful, individual analysis. The advice cited above may or may not be appropriate for your specific situation.





Contact Us



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Upcoming Events in 2013

Treasury Strategies' State of the Profession

Tuesday, January 29th

8:30 am CST | 9:30 am EST | 2:30 pm GMT

Please feel free to join our Treasury Management Group on LinkedIn

<http://www.linkedin.com/e/vgh/50323>

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Who We Are

Treasury Strategies, Inc. is the leading treasury consulting firm working with corporations and financial services providers. Our experience and thought leadership in treasury management, working capital management, liquidity and payments, combined with our comprehensive view of the market, rewards you with a unique perspective, unparalleled insights and actionable solutions.

What We Do

Corporations

We help you maximize worldwide treasury performance and navigate regulatory and payment system changes through a focus on best practices, technology, liquidity and controls.

Treasury Technology

We provide guidance through every step of the technology process. Our expert approach will uncover opportunities to optimize the value of your treasury through fully integrated technology solutions.

Financial Services

Our experience, analytic approach and benchmarks provide unique consulting solutions to help you strengthen and grow your business.

Locations

Chicago • London • New York

Accreditations



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