

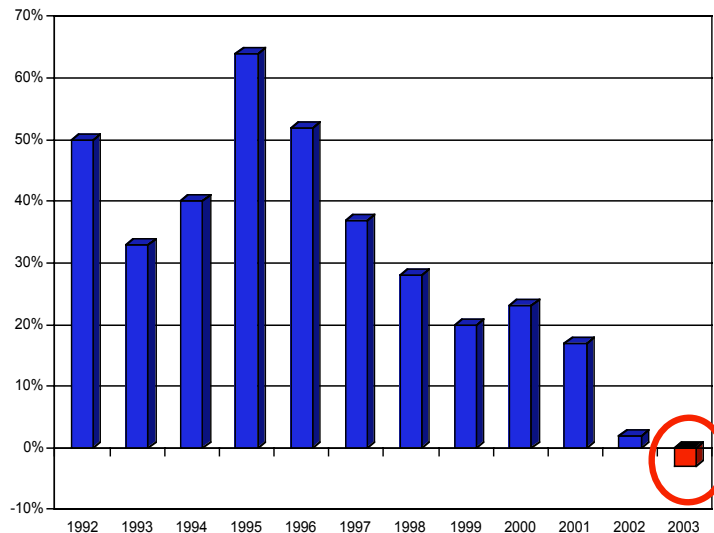


The Power of Experience™

### 2004 Commercial Bank Sweep Survey Executive Summary

- » After eleven years of growth, sweep assets declined for the first time ever - by 3%.
  - Many respondents noted that customers shifted sweep assets into DDA accounts or direct investments.
  - Despite the overall decline, several banks reported growth in sweep assets of 5% or more.
- » In response to low yields, companies continued to “turn off” sweep services.
  - Continuing a trend that began in 2002, the number of sweep accounts declined by 19%.
  - Sweep accounts became unprofitable for many users as the low yields did not cover the monthly maintenance fees.
  - Most banks reported that they primarily lost middle market and small business accounts.
- » Average assets per sweep account rose 20% in 2003 to \$1.3 million.
  - The rise in average assets per account is largely attributable to the significant loss in the number of accounts, as the smaller accounts were most often the accounts lost.
- » Sweep assets continue to be nearly equally distributed across the 3 major product categories namely money market funds, direct instruments (Repo/CPs), and offshore instruments.
  - Money market mutual fund sweeps declined for the first time by 9% while offshore sweeps continued to grow, by 3% in 2003.

#### Total U.S. Commercial Bank Sweep Asset Growth Rates



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*Treasury Strategies, Inc. was founded in 1982 to assist banks and investment intermediaries to develop product strategies to attain maximum value from their treasury and liquidity services. The firm has been conducting the annual Commercial Banking Sweep Account Survey since 1991. Please contact Treasury Strategies, Inc. if you would like more information about the annual sweep survey.*



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