

# Treasury Strategies Quarterly Corporate Cash Briefing™ for 4Q 2013

## Presented by:

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Tony Carfang, Partner

9 January 2014



Treasury  
Strategies.

The Power of Experience®



# Agenda



## Corporate Cash Levels

## Basel III Preparations

## Game Changers

### Roundtable:

- Association of Corporate Treasurers (ACT)
- Federated Investors
- Fitch Ratings





# Corporate Cash Levels



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# Corporate Cash Levels

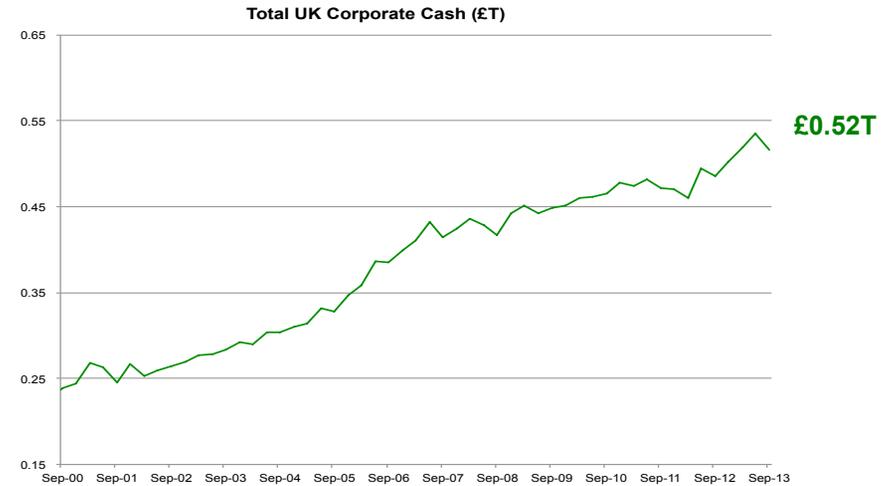


## US corporate cash as of Sept 30, 2013



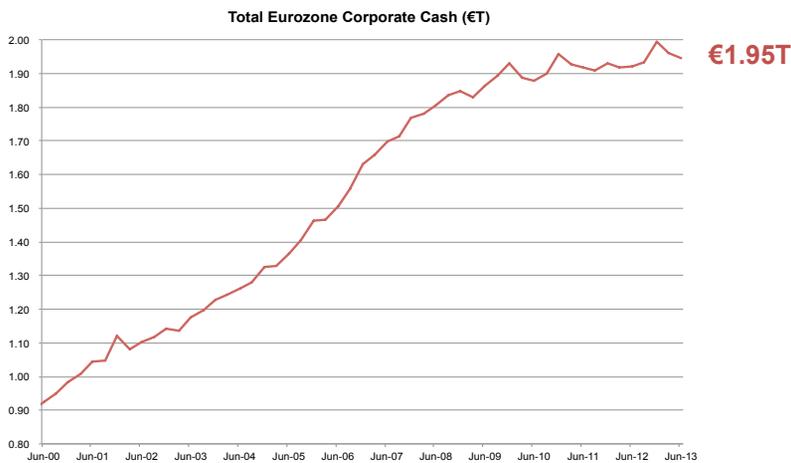
Source: Federal Reserve, Treasury Strategies

## UK corporate cash as of Sept 30, 2013



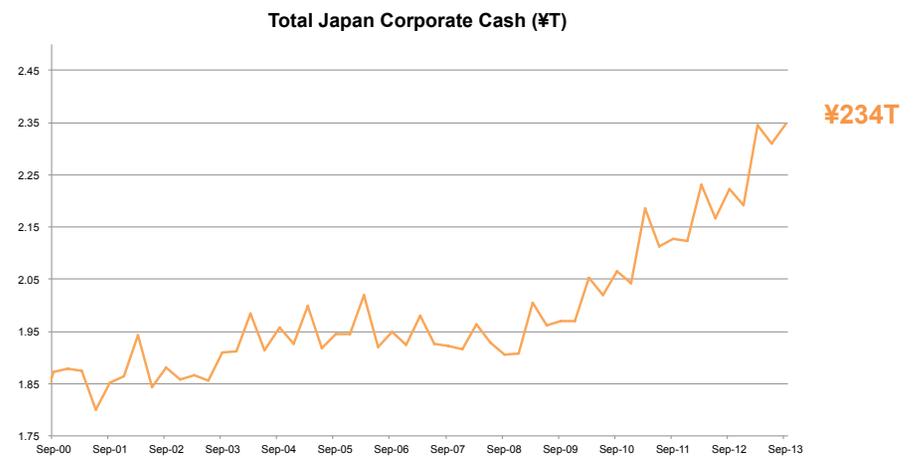
Source: Office of National Statistics, Treasury Strategies

## Eurozone corporate cash as of June 30, 2013



Source: European Central Bank, Treasury Strategies

## Japanese corporate cash as of September 30, 2013



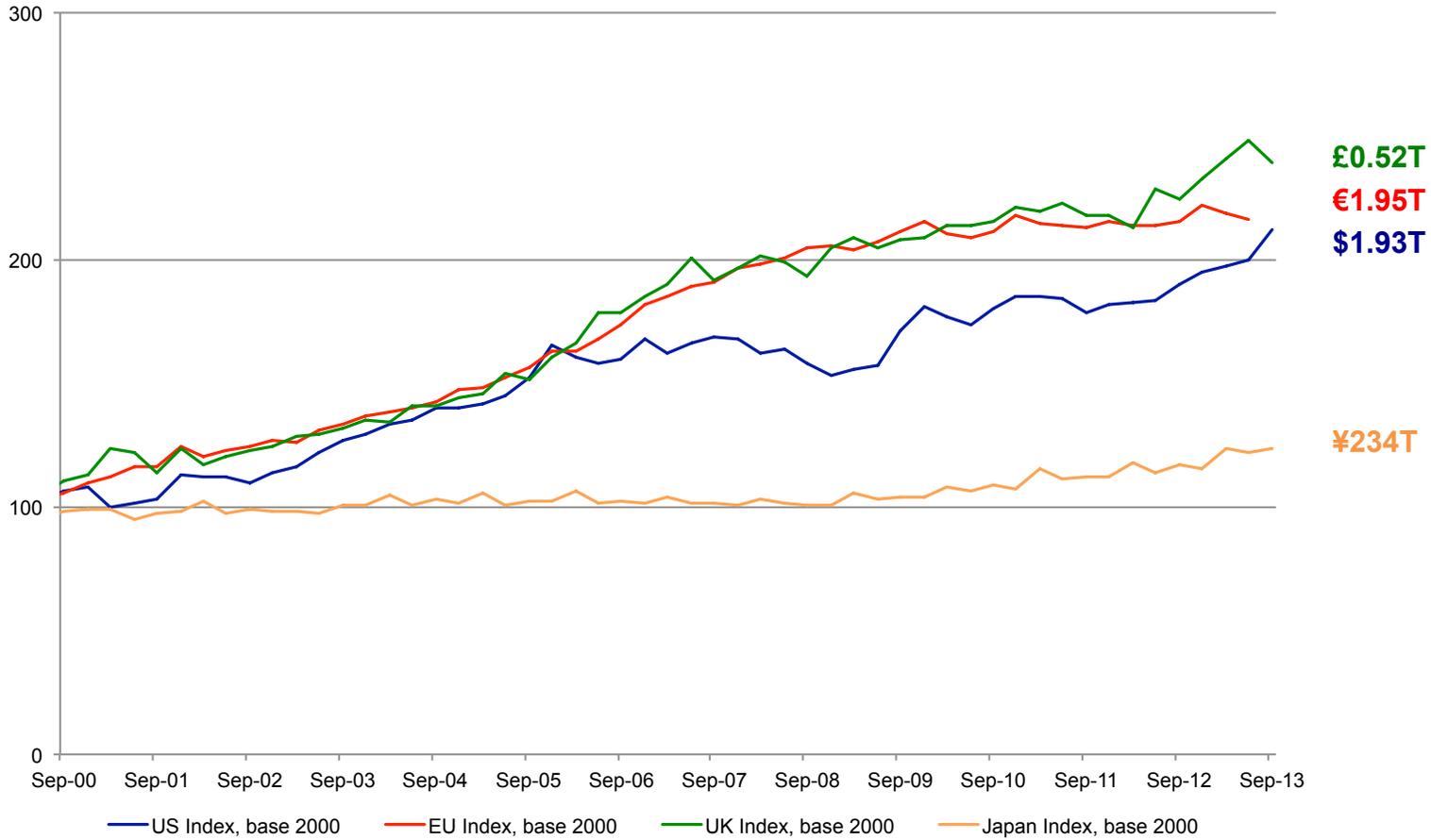
Source: Bank of Japan, Treasury Strategies



# Corporate Cash Index



### Total Corporate Cash Index



Sources: Treasury Strategies, Inc., Federal Reserve, ECB, ONS  
Note: 1Q 2000 = 100





## Corporate Cash as % GDP by Region



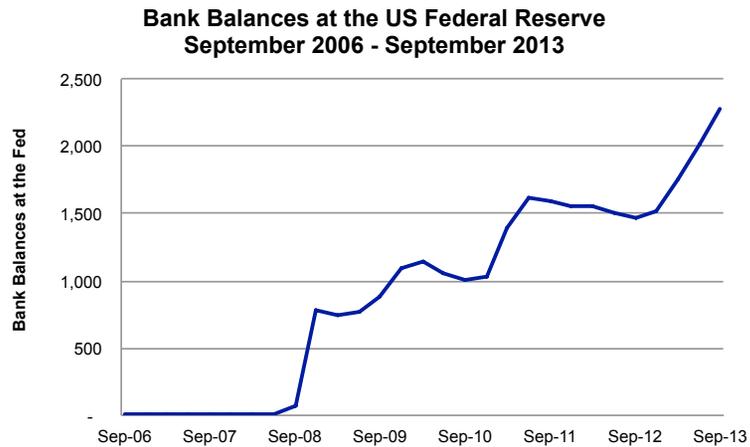
Country/Region	September 2000	September 2013
United States	9%	11%
Eurozone	14%	20%
United Kingdom	25%	32%
Japan	36%	49%

Source: Treasury Strategies' estimate

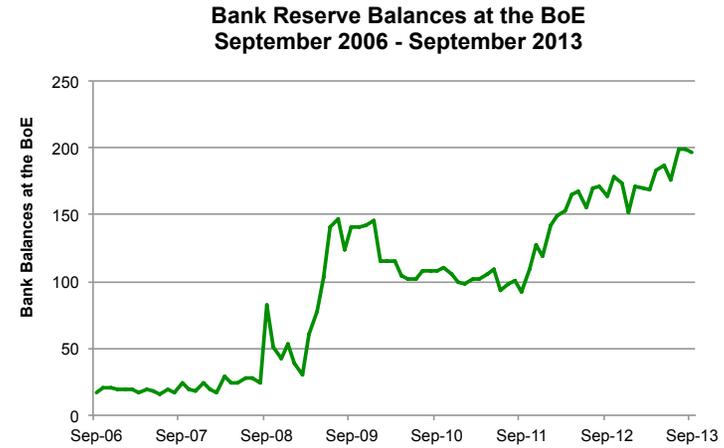




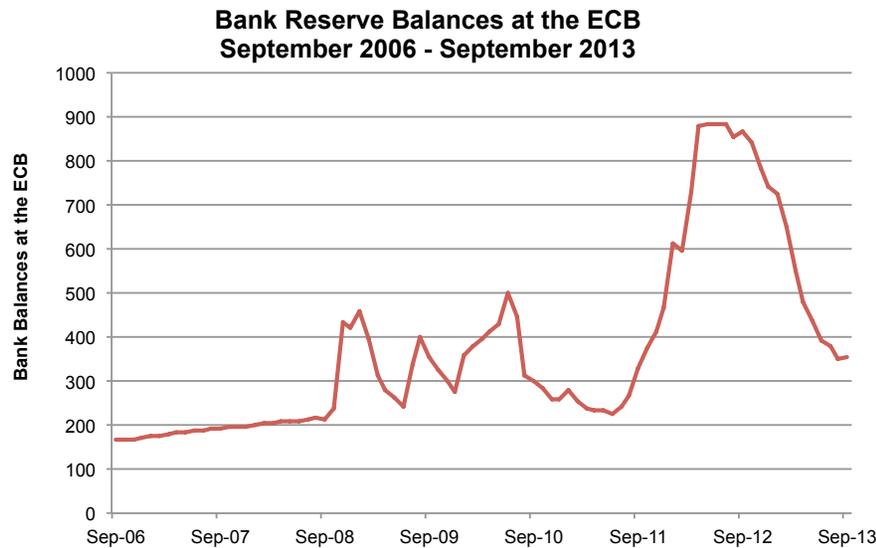
# Reserve Balances



Source: Federal Reserve H3 Report, Treasury Strategies



Source: Bank of England, Treasury Strategies



Source: European Central Bank, Treasury Strategies

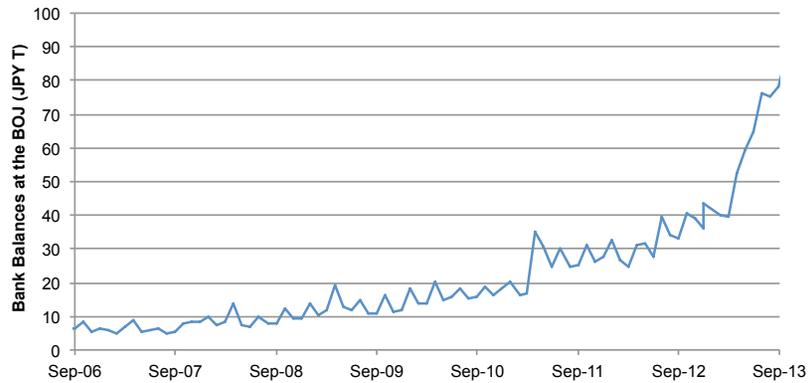




# Reserve Balances

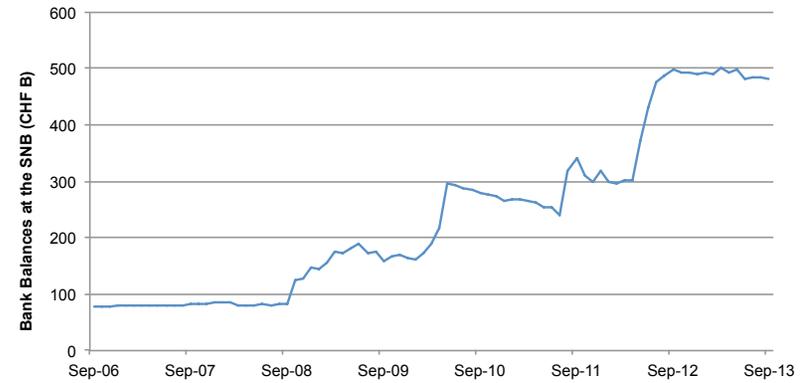


**Bank of Japan Reserves:  
September 2006 - September 2013**



Source: Bank of Japan, Treasury Strategies

**Swiss National Bank Reserves:  
September 2006 - September 2013**



Source: Swiss National Bank, Treasury Strategies





# Basel III Preparations



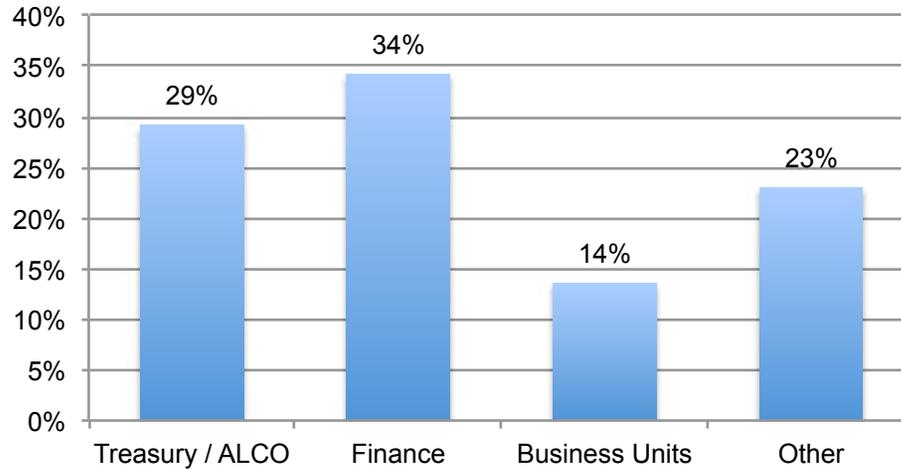
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# Basel III Stakeholders

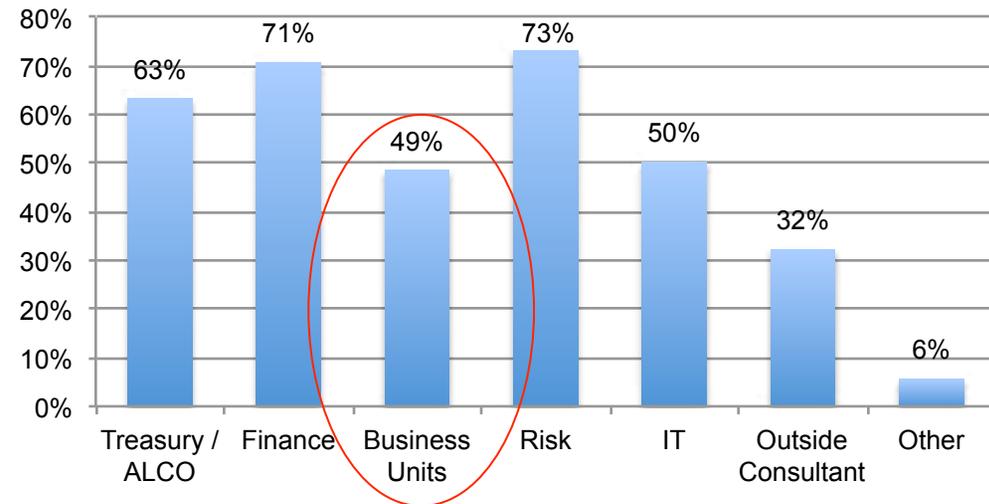


## Who is taking the lead in Basel III preparedness?



*\*Other includes: Risk / Compliance, Operations, and Cross-functional teams*

## Who is involved in your Basel III preparations?

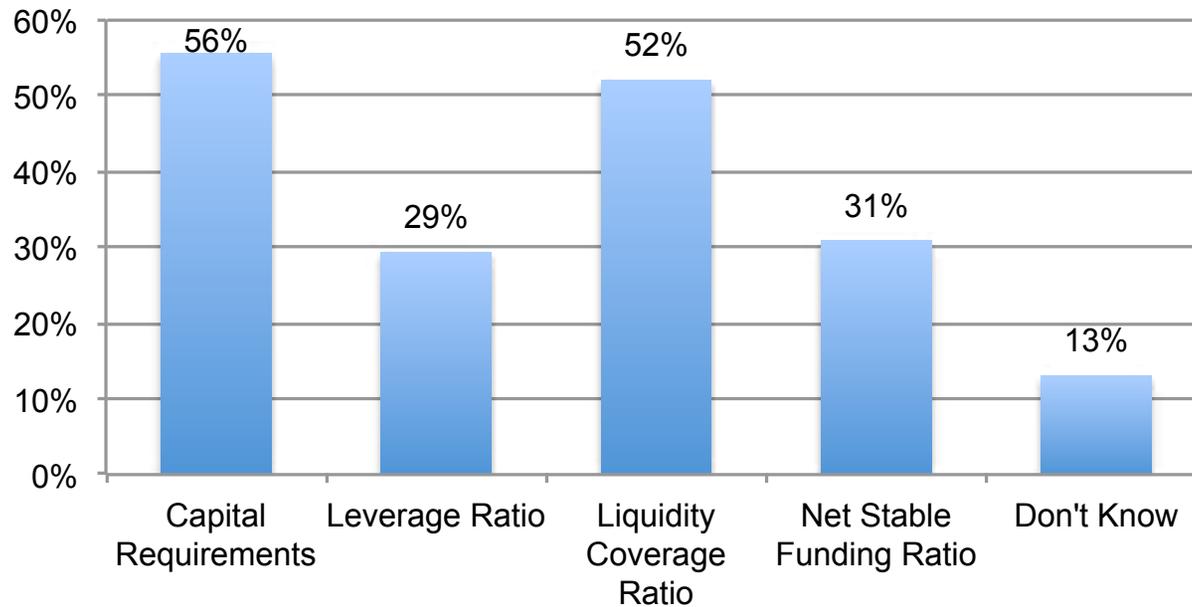


Source: Treasury Strategies 2014 Basel III Survey of Financial Institutions





## Which elements of Basel III represent the greatest challenges to your deposit economics?



Source: Treasury Strategies 2014 Basel III Survey of Financial Institutions





**Do you have a strategy to introduce new products in response to Basel III?**

	<b>Deposit Products</b>	<b>Credit Products</b>	<b>Transaction Banking Products</b>
<b>Yes</b>	65%	62%	58%
<b>No</b>	21%	22%	27%
<b>Unsure / Don't Know</b>	15%	16%	15%



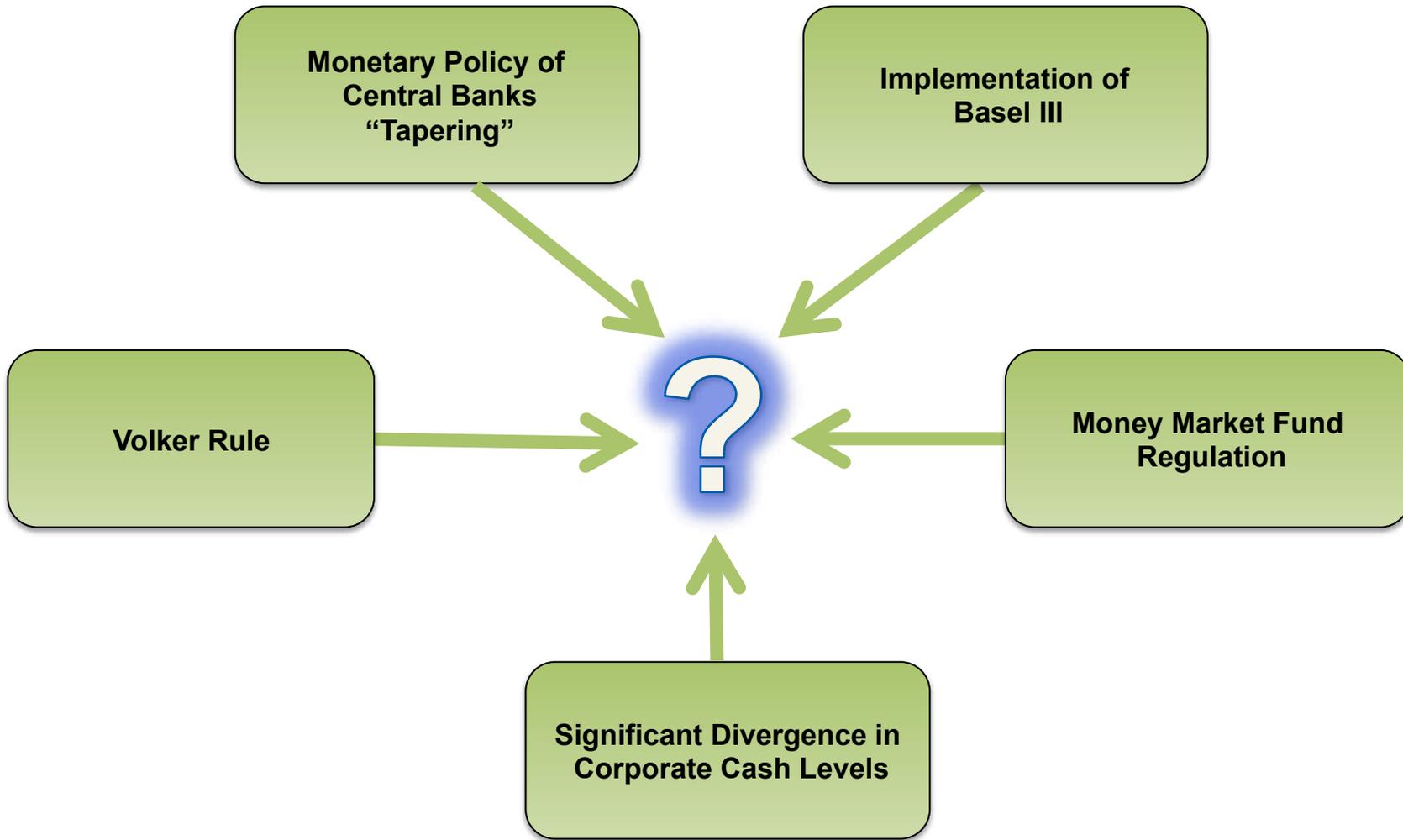
# Game Changers



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# Potential Game Changers





# Speakers



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# About Treasury Strategies, Inc.



## 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

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## Accreditations



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## About the ACT



### Who we are

The Association of Corporate Treasurers (ACT) sets the benchmark for international treasury excellence. As the Chartered body for treasury, we lead the profession through our internationally recognised suite of treasury qualifications, define standards and support continuing professional development. We are the voice of corporate treasury representing the interests of our members.

### What we do

ACT supports the growth and professional development of treasurers and finance professionals. We are an active global network of treasury, risk and finance professionals with members and students in 98 countries.

- We promote treasury as a discipline, as a profession and as a career
- We provide informed and unbiased technical advice
- We teach, examine and qualify treasury professionals and offer ongoing CPD
- We stimulate debate and facilitate the exchange of ideas and information through our events, conferences, webinars and forums
- We represent the real economy and influence relevant regulation and market practice.



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# About Federated Investors, Inc.



## FIRM PROFILE

**\$379.8 BILLION IN AUM**

### History of Quality and Innovation

- Founded and headquartered in Pittsburgh PA, 1955
- Offices in New York, Rochester, Boston, Dublin, Frankfurt, London and Melbourne
- 1,400+ employees worldwide including 223 investment professionals and 84 Chartered Financial Analysts
- Pioneer of money market and fixed income funds

### Publicly Traded

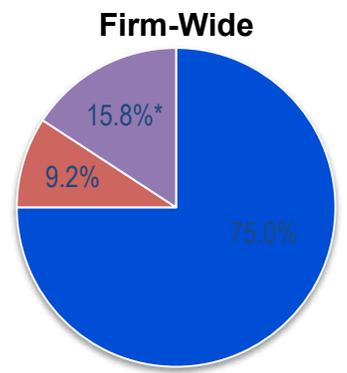
- NYSE listed: FII
- Employees share in approximately 20% of firm's ownership

### Investment Management Singular Focus

- Committed to delivering long-term outperformance
- Strategies utilize risk-management process and maintain style consistency

### Well-Resourced Investment Teams

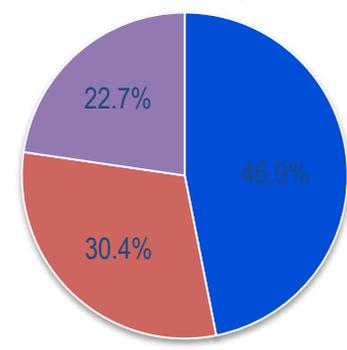
- Experienced specialized teams committed to delivering long-term outperformance
- Deep historical commitment to proprietary research
- Majority of investment professionals' compensation directly tied to performance



■ Liquidity Management ■ Equity ■ Fixed Income

*\*Liquidation portfolios comprise of 12.2% of firm-wide fixed income total.*

### 4Q Revenue by Source



■ Liquidity Management ■ Equity ■ Fixed Income

*Asset breakdown as of 12/31/12*





## About Fitch Ratings



# Fitch Ratings

Fitch Ratings is a leading provider of credit ratings, commentary, and research. Dedicated to providing value beyond the rating through independent and prospective credit opinions, Fitch Ratings offers global perspectives shaped by the strong local market experience and credit market expertise. The additional context, perspective and insights we provide help investors to make important credit judgments with confidence.

Fitch Group is a global leader in financial information services with operations in more than 30 countries. In addition to Fitch Ratings, the group includes Fitch Solutions, an industry-leading provider of credit risk products and services, and Fitch Learning, a preeminent training and professional development firm. Fitch Group is jointly owned by Paris-based Fimalac, S.A. and New York-based Hearst Corporation.

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