

Treasury Strategies' Quarterly Corporate Cash Briefing™: Questions & Answers

October 2014



**Treasury
Strategies.**

The Power of Experience®



Summary



Thank you for joining Treasury Strategies' Quarterly Corporate Cash Briefing™. You were part of our most interesting briefing yet, where we looked at numerous regulations finalized and the ever-tumultuous market.

The questions we received from you and your colleagues were impressive and thoughtful, and we've provided answers on the following slides. Concern remains with corporate treasurers around pending regulatory changes, interest rates, and investment options.

We look forward to keeping you at the forefront of industry changes, and providing advice to you on how to manage them.

Watch for more information to register for our **next Quarterly Corporate Cash Briefing™ taking place in January 2015.**

If you have further inquiries, or would like to learn more about Treasury Strategies, Inc., please contact us:

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Q&A Responses Corporate Cash Briefing™ for 3Q 2014



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What tools are corporate treasurers looking to use with the LCR ruling coming down the pike?

- 1) Cash forecasting tools to minimize the level of non-operational deposits and the level of volatility
- 2) Treasury technology to gain better visibility of cash around the globe (an issue that impacts all regions of the world)

Do you think the new LCR regulation will impact the way banks look at year-end large deposits?

Certainly. As banks look to attract operational demand deposits and discourage non-operational deposits, the economics of banking relationships will change, and large end-of-year deposits are very unattractive.

You should discuss with your bank well in advance, otherwise the deposit could be rejected or assessed a fee of some sort. Banks will be especially sensitive to year-end positions since that is what the analysts see and that's what the FDIC shows in its call reports.

About Treasury Strategies, Inc.

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. For more information, visit TreasuryStrategies.com.

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How far do you think total MMF balances will fall now that the reform rules and regulations have been finalized?

Treasury Strategies does not expect that MMF balances will decline significantly given the final regulations. These regulations and their compliance impacts to most investment policies are expected to be limited.

Additionally, as banks become stricter with non-operational deposits, companies will be looking to place those deposits outside the banks with MMFs as an obvious choice.

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Could you please elaborate on the impact on the appeal of MMF as an asset class since it no longer offers the guarantee through a fixed NAV?

We've reviewed a large sample of client policies and believe that very few will require modification.

Our analysis shows two key findings regarding the regulations:

- 1) The MMF value proposition of safety, liquidity, yield, convenience and transparency remains strong. There will be a bit less convenience, but that is offset by additional safety and transparency.
- 2) Money funds compare very favorably with other money market instruments that are permitted in most investment policies.



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

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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.

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