

A Vision for Tomorrow's Treasurer

Technology:
Efficiency and Transparency



Strategic Treasurer

Panelist

- Craig Jeffery – Strategic Treasurer (Moderator)
- Jerry Frantz – University of California
- Doug Hoch – Microsoft
- Lynda McGoey – General Electric
- Joseph Nametko – Honeywell

2008 Highlights

Highlights

T-bill Yields Drop To Zero!

2008
 (Bloomberg) -- The Treasury sold \$30 billion of 4-week bills at 0% for the first time since it began selling the securities in 2001 amid persistent demand for the safety of U.S. debt during the worst financial crisis since the Great Depression Rates on 3-month bills traded at a -0.01% today. The Treasury sold \$27 billion of 3-month bills yesterday at 0.005%, the lowest rate since it started auctioning the securities in 1929.

February 15, 2008

New Trouble in ARS

(NY Times) SOME well-heeled investors got a big jolt from Goldman Sachs this week: Goldman, the most celebrated bank on Wall Street, refused to let them withdraw money from investments that they had considered as safe as cash.

Highlights

December 6, 2008

Rating Agencies Flawed?

(The Reckoning: Debt Watch Dogs Tamed or Caught Napping?) These errors make us look either incompetent at credit analysis or like we sold our soul to the devil for revenue, or a little bit of both. A Moody's managing director responding anonymously to an internal management survey, September 2007.

Highlights

Monday, December 16, 2008

Fed Cuts Rate To Near Zero

(NYTimes) Going further than analysts anticipated, the central bank said it had cut its target for the overnight federal funds rate to a range of zero to 0.25 percent, a record low.

2008

Highlights

November 4, 2008

Risk Models Fail!

(NYTimes) In Modeling, The Human Factor Was Left Out. The models, according to finance experts and economists, did fail to keep pace with the explosive growth in complex securities, the resulting intricate web of risk and the dimensions of the danger. But the larger failure, they say, was human in how the risk models were applied, understood and managed.

February 11, 2008

Treasurer Fired!

(Financial Week - Bristol Myers squabbed by auction-rate bonds) Bristol-Myers took a \$275 million charge on Feb. 1 to failed auction-rate securities. The company, which last week confirmed the departure of its treasurer and a lieutenant, also slashed the value of its portfolio of securities, from \$311 million to \$419 million.

Dollar Volatility!

(Bloomberg) Dollar Falls Most Against Euro Since 1999 Debut on Fed's Rate. This move is historic, said ... The dollar fell as much as 3 percent to \$1.4437 per euro, the weakest level since Sept. 29, from \$1.4002 yesterday, before trading at \$1.4337 at 1:45 p.m. in New York. It was the biggest intraday drop since the euro's inception. The U.S. currency decreased 1.2 percent to 87.99 yen from 89.05 and reached 87.14, the lowest since July 1995. The euro increased 1.2 percent to 126.22 yen from 124.71. (December 17, 2008)

Highlights

October 28, 2008

MMFund Breaks Buck!

(NYTimes) Reserve Fund Investors Still Await Their Cash. The crisis that hit last month at the Reserve Fund, the nation's oldest money market fund, has frozen hundreds of thousands of customer accounts for more than six weeks with no sure end in sight.

Revolver Drawdowns!

(Credit Sights) Draw Downs: Booze on Prohibition motivation for the revolver draw downs, to a large degree, has been purely defensive action in the face of financial uncertainty.

Newswire: U.S. Government passes \$700 Bln bail-out plan Investors seek safe harbor of U.S. Treasury securities Fair Value accounting blamed on exacerbating financial crisis U.S. Government invests equity in banks

Challenges and Pressures

Known

Maintain Liquidity
Protect and Safeguard Assets
Manage Financial Risk
Optimize Working Capital

Unexpected

Market Turbulence
Counterparties Failing
Banks(??)
Government Action
Instrument Risk
Etc.

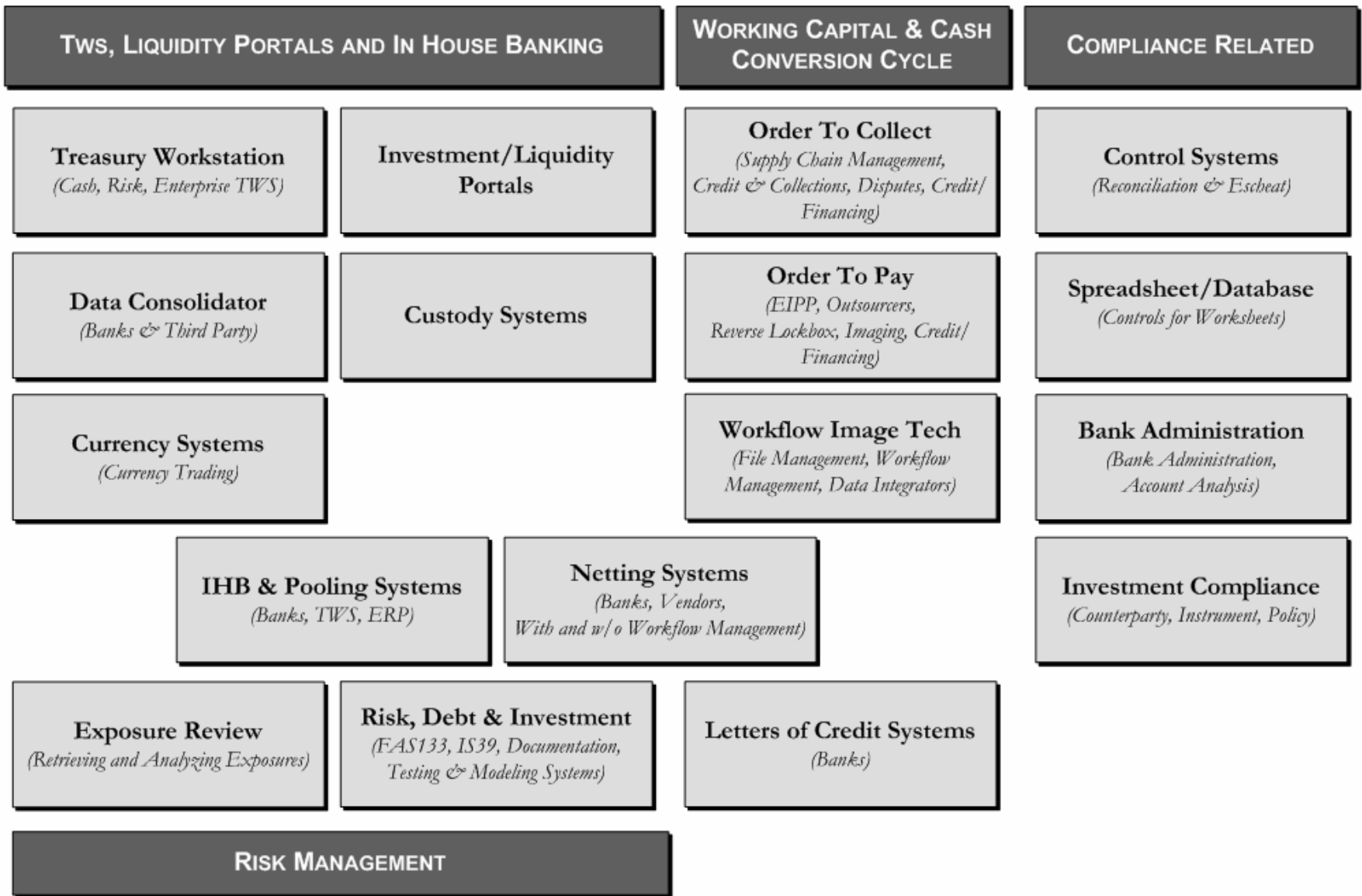


Risks to liquidity
Risks in Access to liquidity
Counterparty Risk
Fx Exposure Risk

Technology Trends

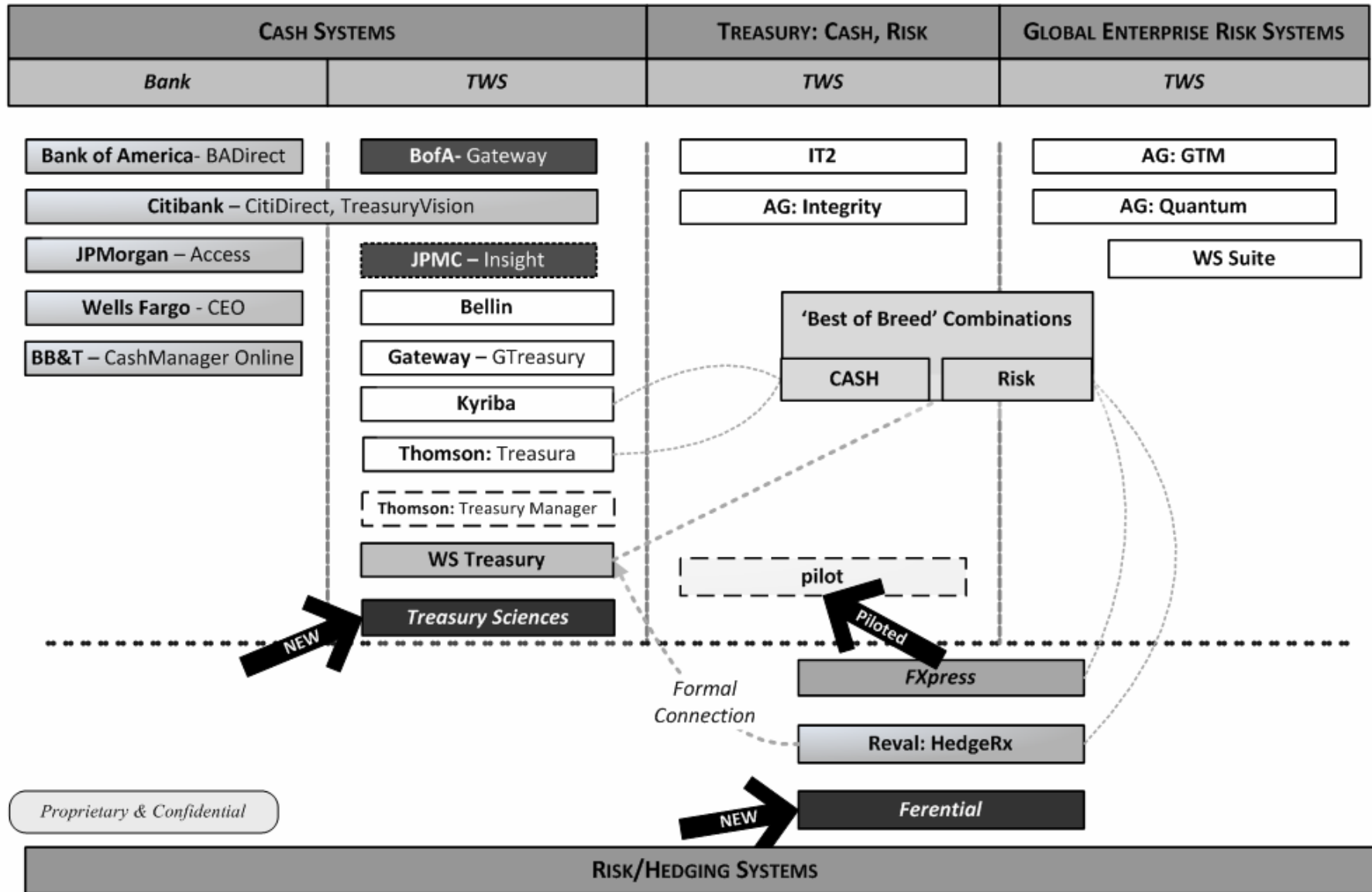
- Automation demands increasing
 - Straight-through processing (STP)
 - Controls
 - Objectivity
 - Productivity
- Visibility to Liquidity /Visibility into risks to Liquidity
- Software-As-A-Service (SAAS)
- Outsourcing
 - Support of system / upgrade
 - Connections / information access
- Corporate Connectivity

LANDSCAPE OF TREASURY TECHNOLOGY SYSTEMS



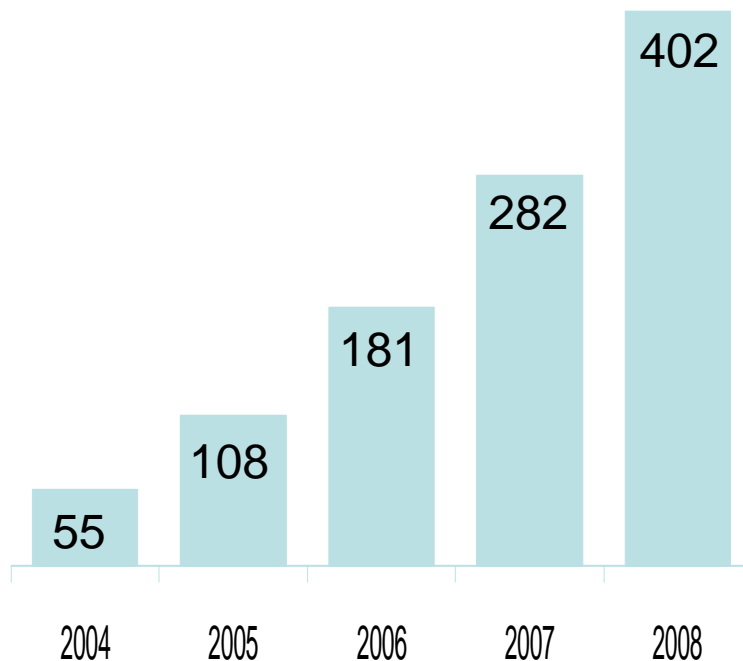
STRATEGIC TREASURER

Treasury Workstation Landscape



Status of corporates on SWIFT

registered corporates



New Services

- EBAM
- Trade Finance Services
- Exceptions and Investigations
- SWIFT Alliance Lite
- Digital Identity
- ISO 20022 - Real time B2C Cash Reporting XML messages (Q2, 2009)
 - Current balance update
 - Enhanced reconciliation

SWIFT Urban Myths

- Only for MNCs or the very large
- Only for Payments or balances
- Just another channel
- Only the bank and the customer
- Sign up and you can immediately talk to others/everyone
- It's too complex/ it's very simple
- Standards are always the same/standards are always different

About Strategic Treasurer

“Here is Edward Bear coming downstairs now, bump, bump, bump, on the back of his head, behind Christopher Robin. It is, as far as he knows, the only way of coming downstairs, but sometimes he feels that there really is another way ... if only he could stop bumping for a moment and think of it.” - A.A. Milne, Winnie the Pooh

NEED HELP TAKING A STEP BACK AND ASSESSING YOUR TREASURY SITUATION?

STRATEGIC TREASURER is widely recognized and highly respected as the leading provider of advice and implementation assistance in treasury and risk management technologies. Their seasoned treasury specialists work alongside financial executives in treasury, and other related areas within corporate, government, education, and not-for-profit entities, providing treasury consulting services in:

Technology – Cash / Risk Management	Treasury Structure – Cash Management / Banking
Financial Risk Management / FAS133 Assistance	Working Capital Optimization

STRATEGIC TREASURER’S treasury specialists add value to their clients’ projects through:

<i>Experience</i>	<i>Market Awareness</i>	<i>Project Assistance</i>
They’ve “sat in your seat” / worked on similar projects and know what to anticipate.	They continually survey the market of technology vendors and financial service providers to narrow the list of qualified candidates for their clients’ specific needs.	This highly dedicated team of specialists provides additional, valuable resources.

STRATEGIC TREASURER can help you organize your priorities with a ***Treasury Assessment***.



*Practical Advice, Trusted Solutions,
Measurable Results*

Craig A. Jeffery

Managing Partner

Phone: 678.466.2222

Fax: 770.216-1547

Email: craig@strategictreasurer.com

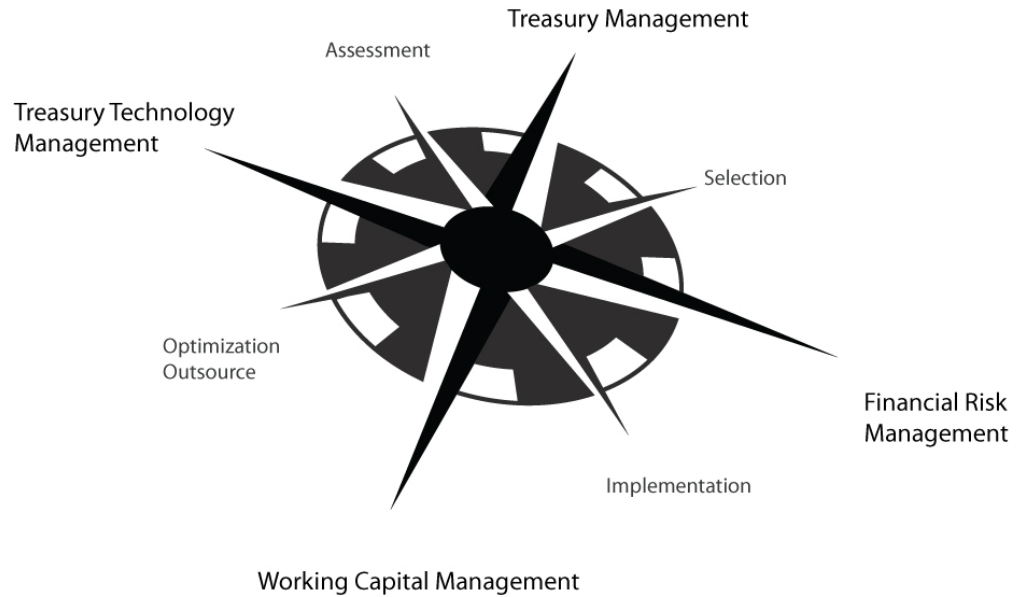
Ric Thompson

Senior Analyst

Phone: 678.466.2230

Fax: 770.216-1547

Email: ric@strategictreasurer.com



STRATEGIC TREASURER LLC

500 Westpark Drive, Suite 110
Peachtree City, GA 30269

www.StrategicTreasurer.com



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Diagrams

Some diagrams in this presentation are from the soon-to-be-published book, *The Strategic Treasurer: A Partnership for Corporate Growth*, Craig Jeffery, Copyright © 2009 John Wiley & Sons. “Reprinted with permission of John Wiley & Sons, Inc.”

