



Webinar: 2014 Liquidity Risk Survey

2014: "The Delay Factor"

2013: "Surprising Complacency to Bank Exposures"

2012: "Cautious, But Ready to Act"

2011: "Caution & Conservatism – Retrenching"

May 2014

Presenting companies



- ❑ Consulting firm advising on treasury and risk management technology issues
- ❑ 10 years serving corporate, government, education and not-for-profit institutions
- ❑ Craig Jeffery, Founder & Managing Partner



- ❑ Institutional investment advisor specializing in cash investments, credit and counterparty risk management and debt financing
- ❑ 23 years delivering research-driven risk management solutions for corporations
- ❑ Ben Campbell, President & CEO

Agenda

➤ Introductions

- Strategic Treasurer
- Capital Advisors Group

➤ Context of Survey Environment

➤ Survey Findings

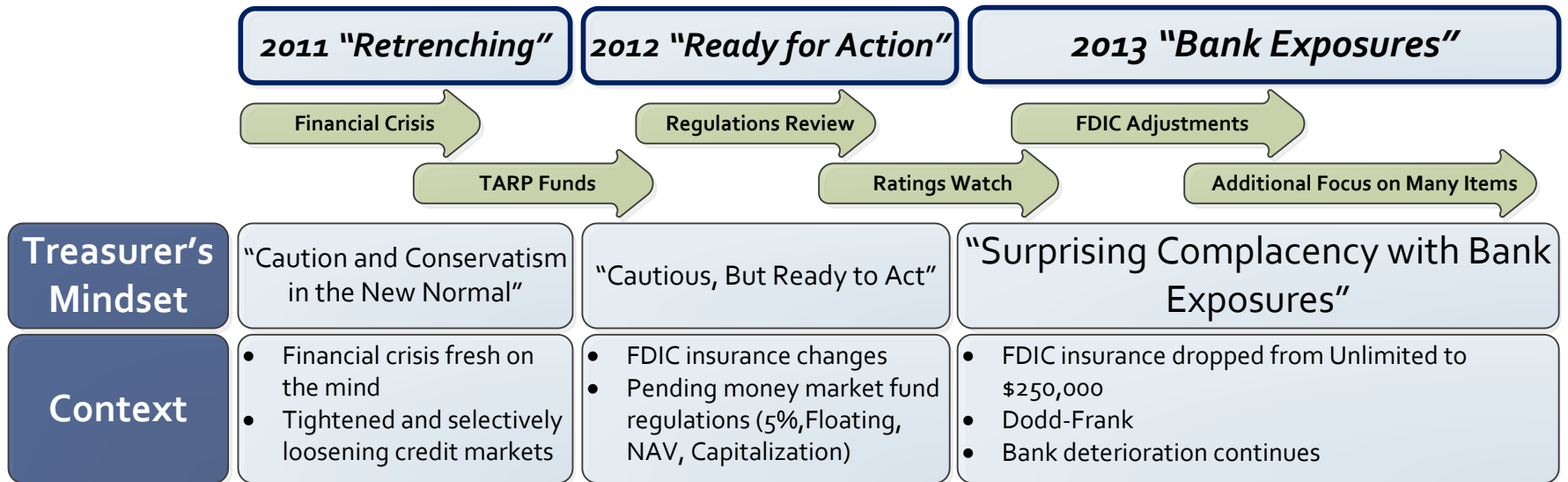
- Census information
- Investments
- Counterparty Risk Monitoring or Management
- Debt & forecasting

➤ Q&A

Survey goal

To shed light on treasury departments' efforts to mitigate liquidity risk in short-term cash investment, debt and forecasting practices.

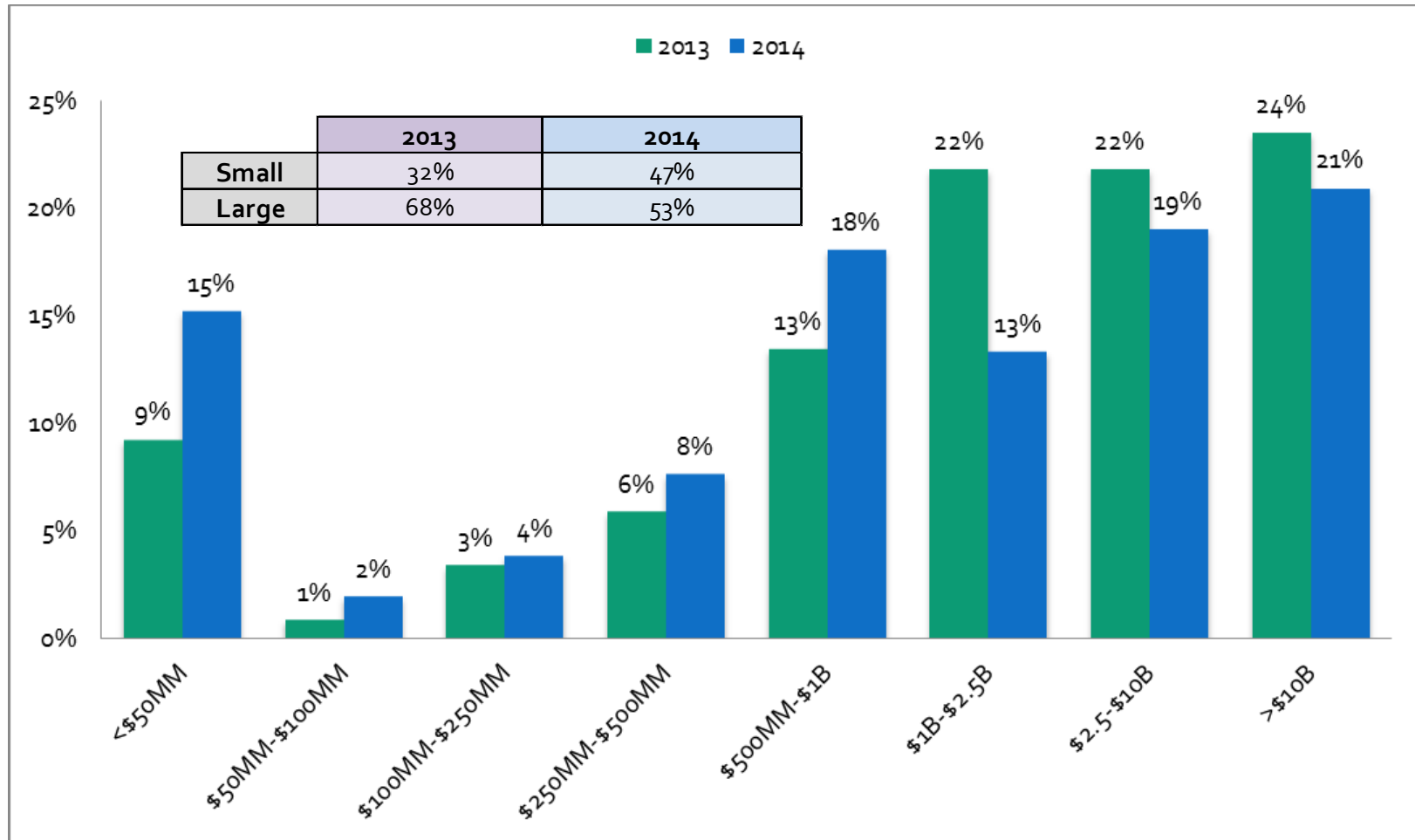
Context: Previous Years



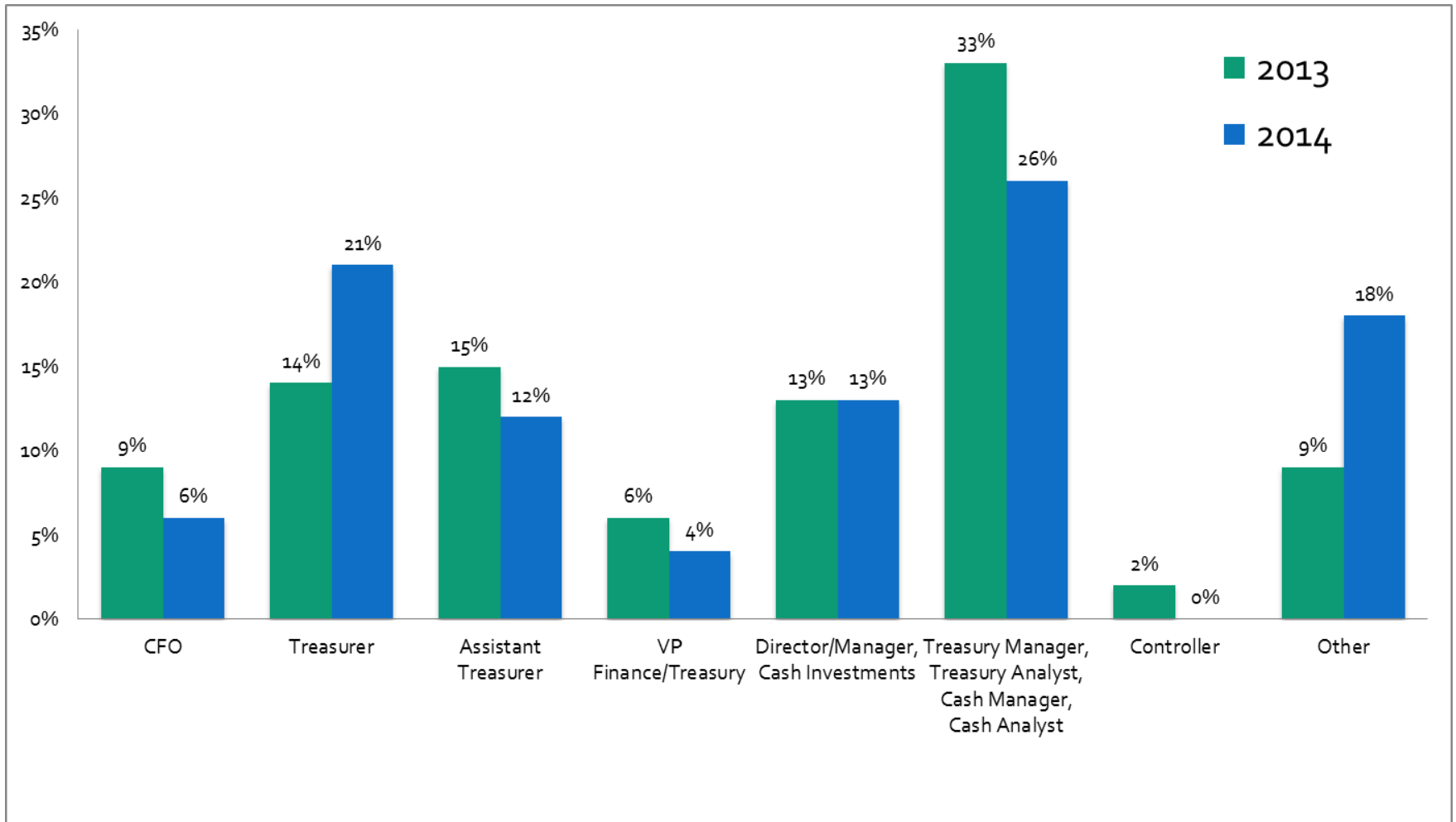
What we've learned in 2014

- **Treasury and financial professionals appear to have begun to control bank exposures**
 - Decrease in bank deposits
- **Firms seem to have increased the pace at which they negotiate and renegotiate credit facilities and to have structured debt and credit facilities with multiple maturity dates**
- **Short-term cash forecasts appear to have become less reliable, especially for smaller companies**
- **Ongoing calibration of investment policies**
 - 66% of firms have updated their investment policy within the past two years
 - More firms are setting limits for uninsured bank deposits
- **Organizations do not appear to have formal counterparty risk exposure policies or frameworks in place**
 - Apparent difficulties aggregating, analyzing and monitoring counterparty exposure

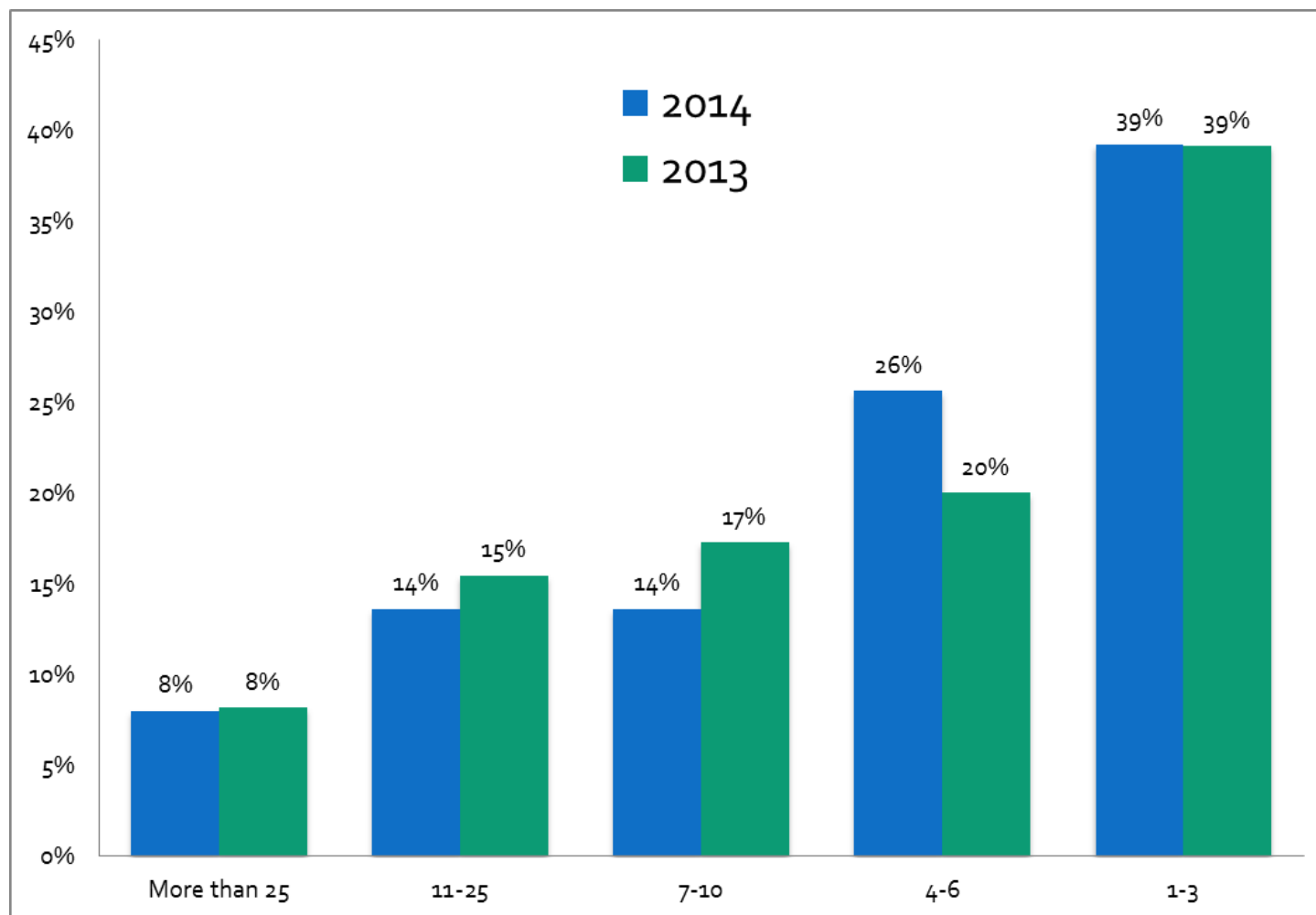
What are your company's annual revenues?



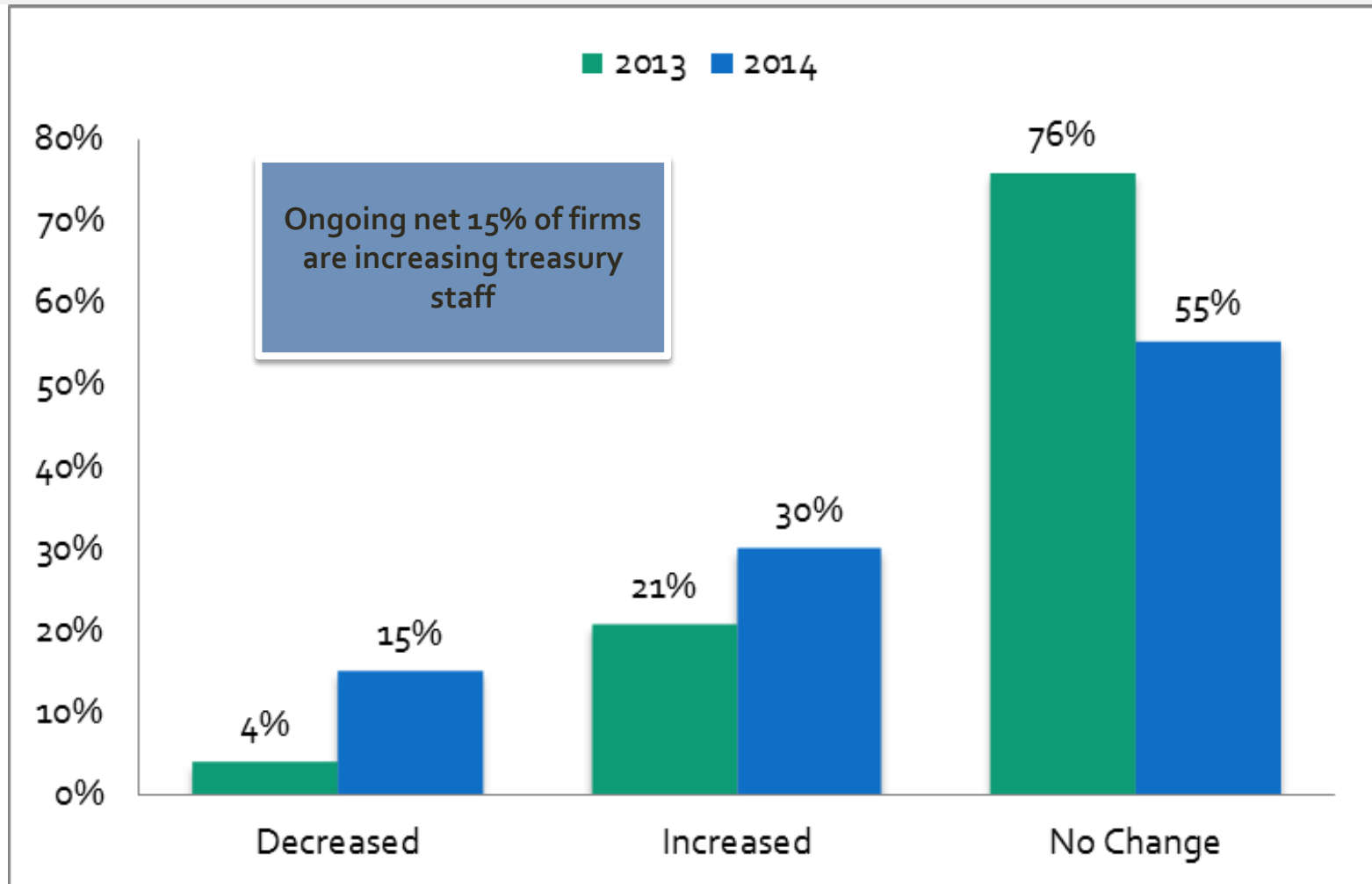
What is your job title?



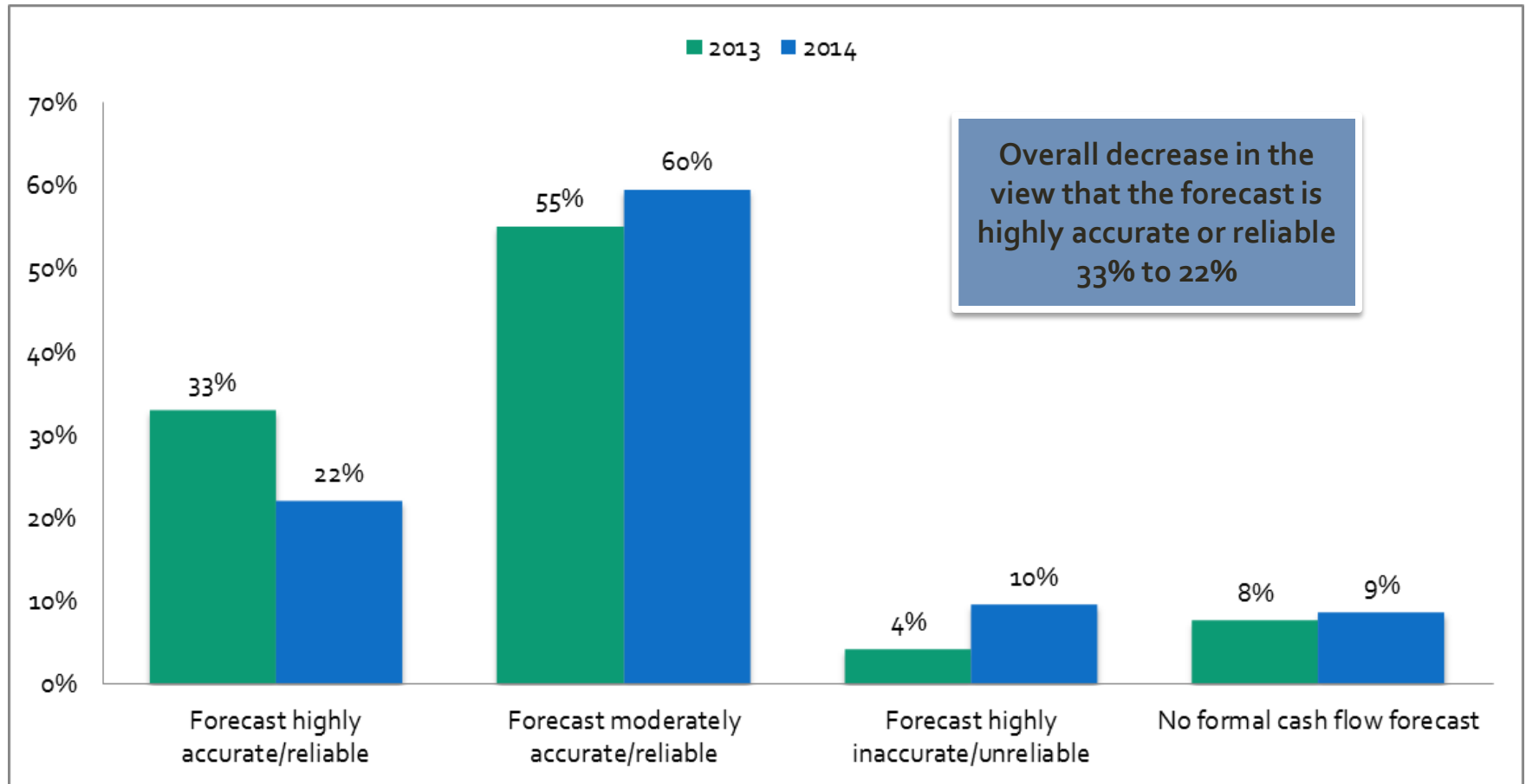
How many people are in your treasury department?



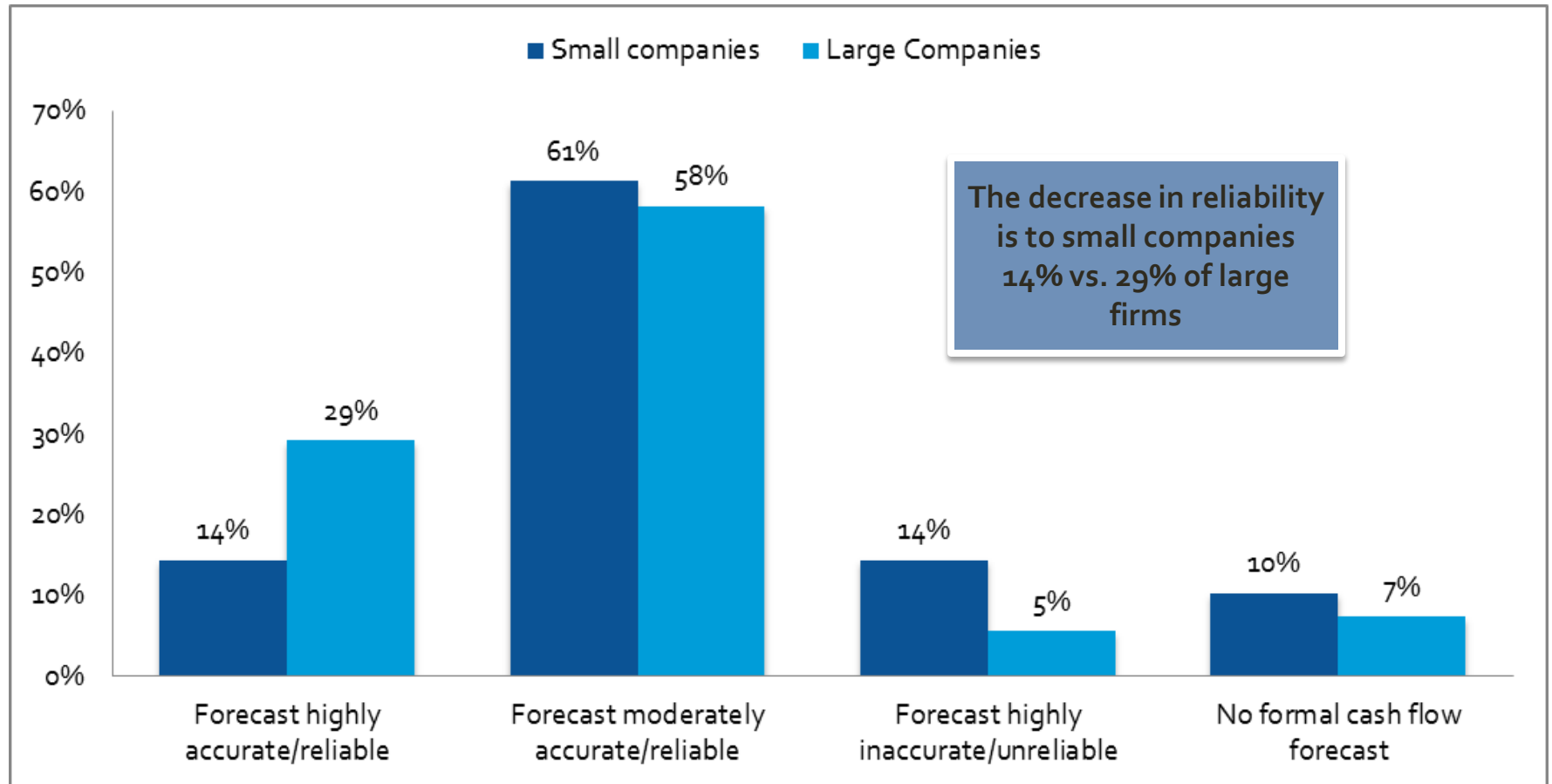
Has the staffing in your treasury department changed in the past two years?



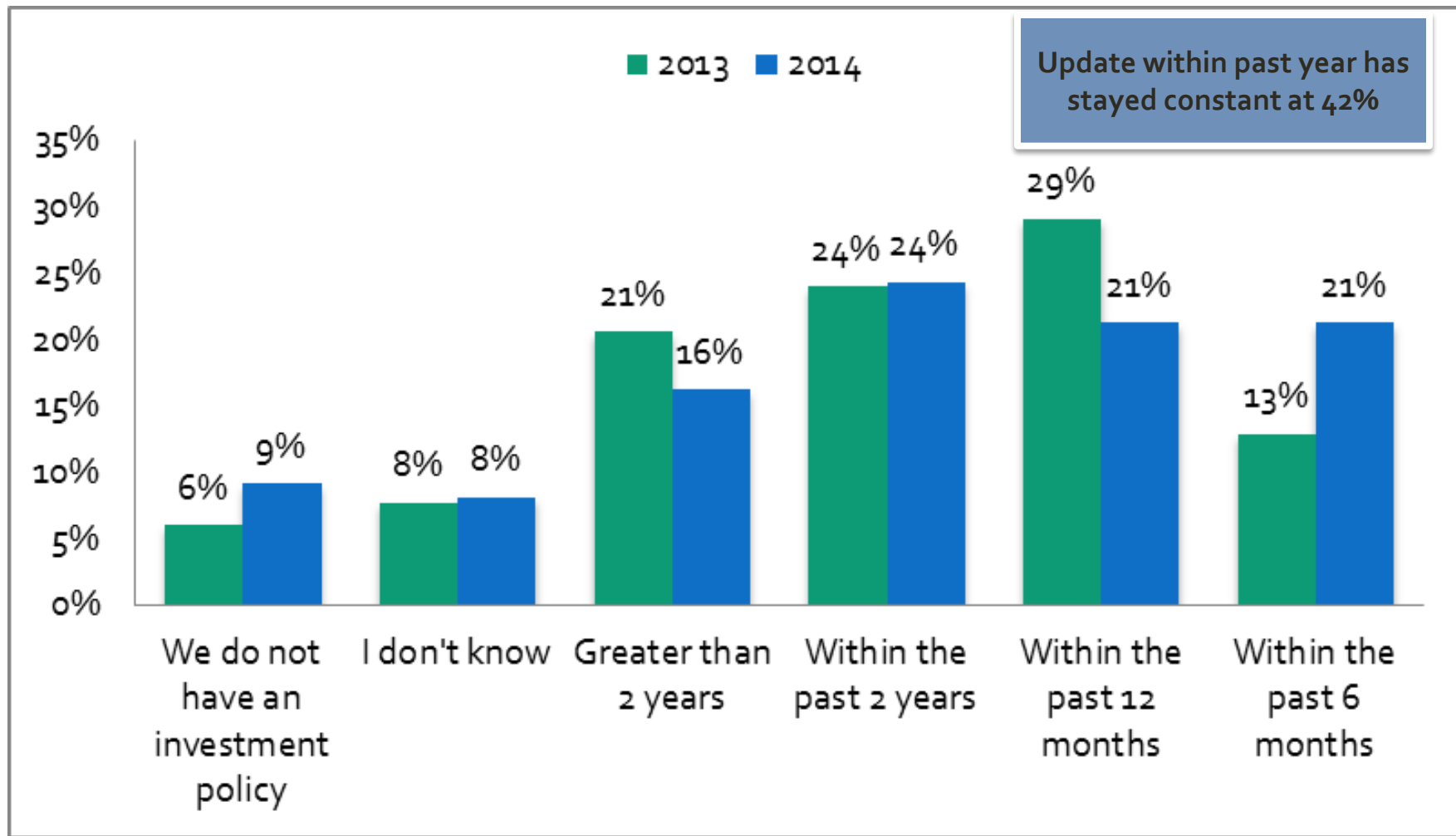
Which answer best describes the ability to forecast short-term cash?



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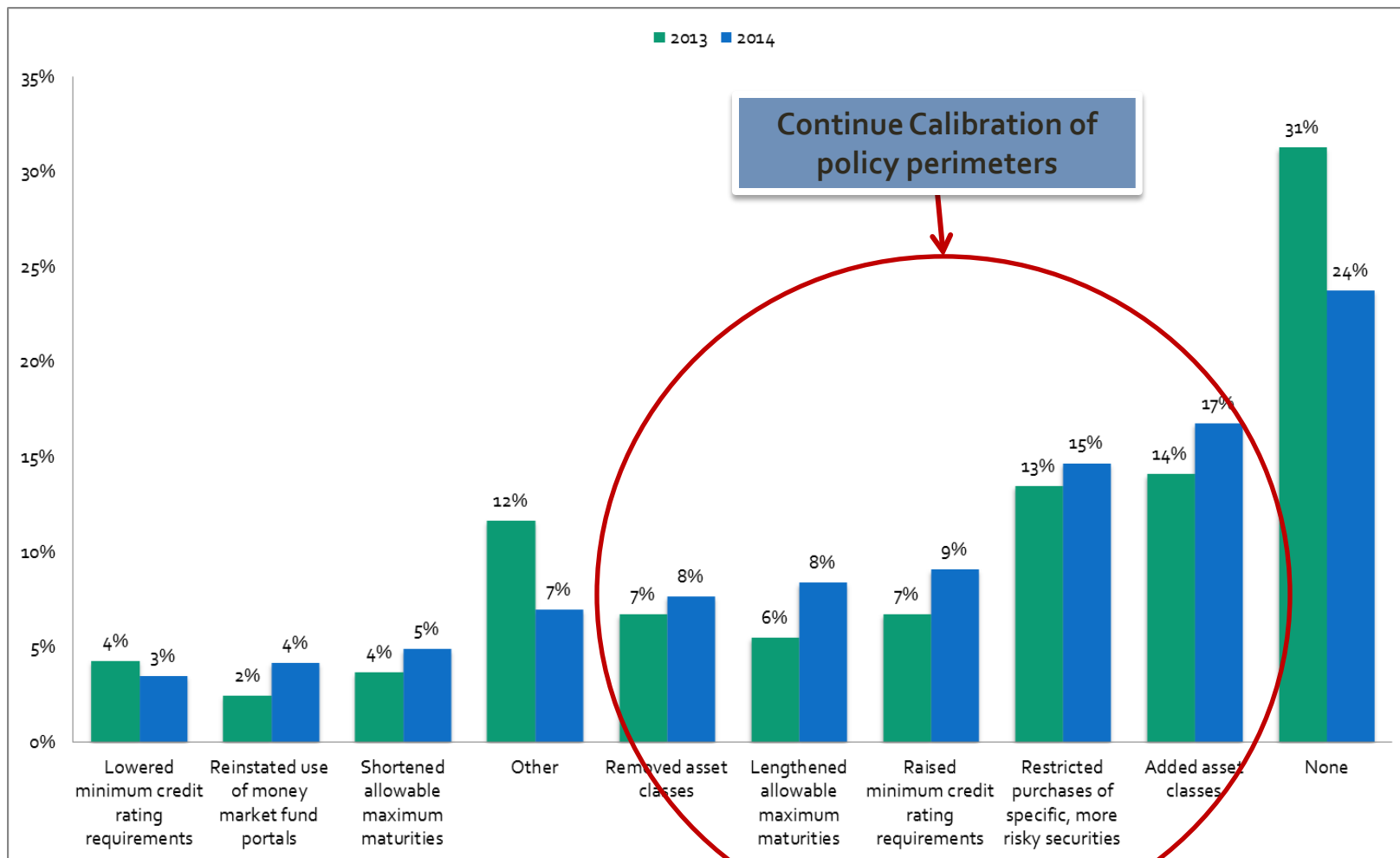


When did you last update your corporate investment policy?



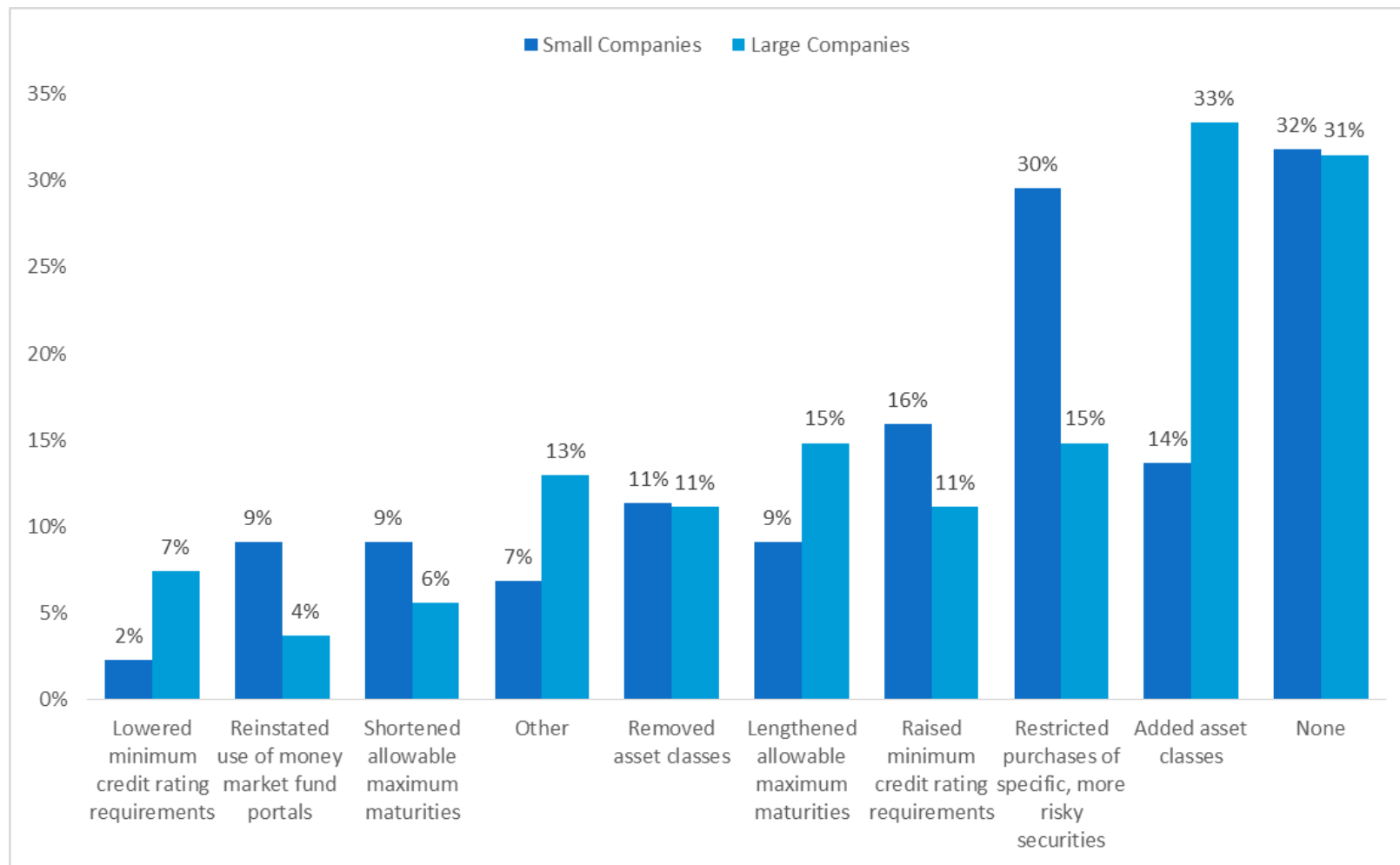
If updated in the past two years, how was your policy revised?

(Select all that apply)



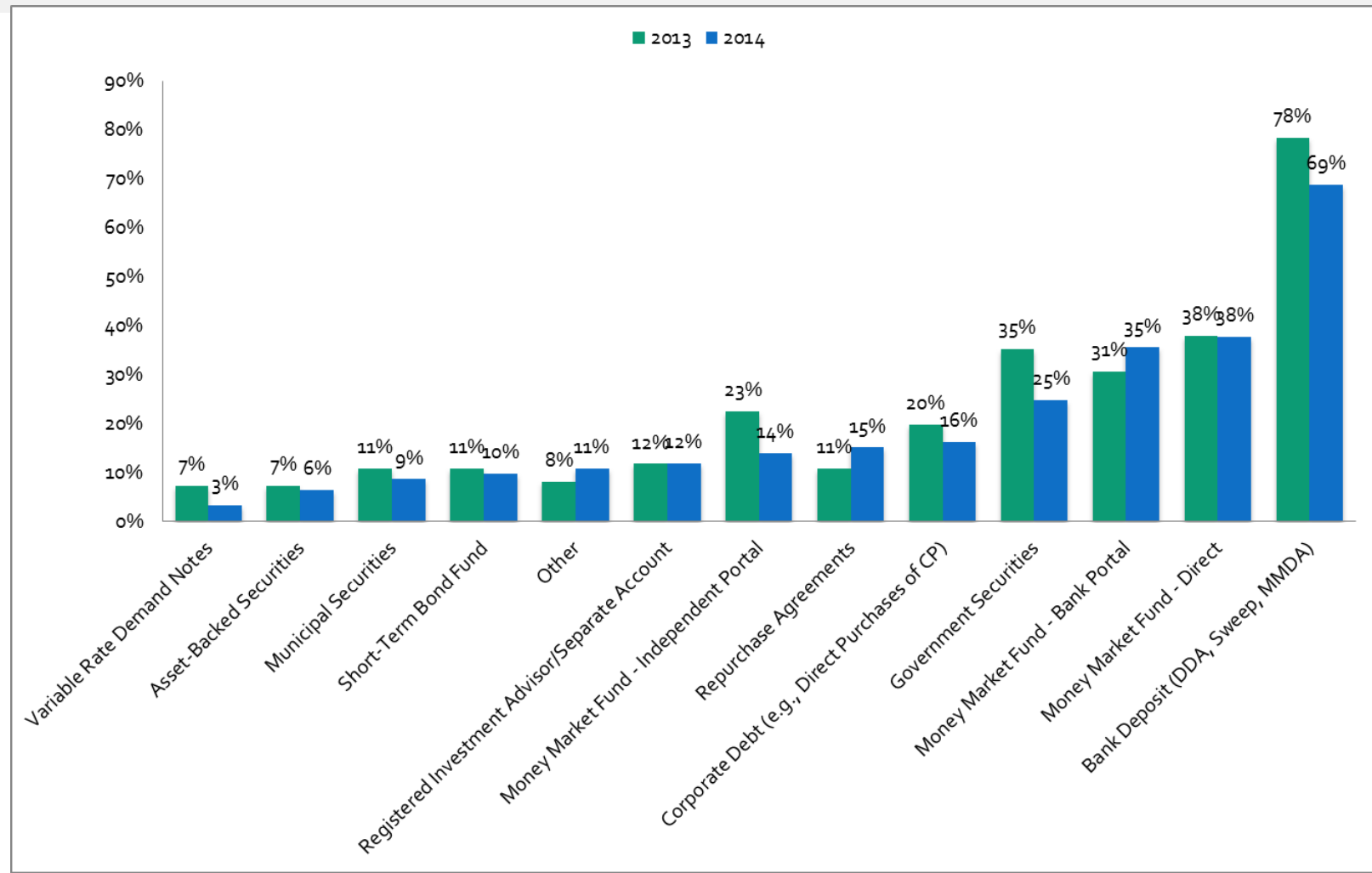
If updated in the past two years, how was your policy revised?

(Select all that apply)

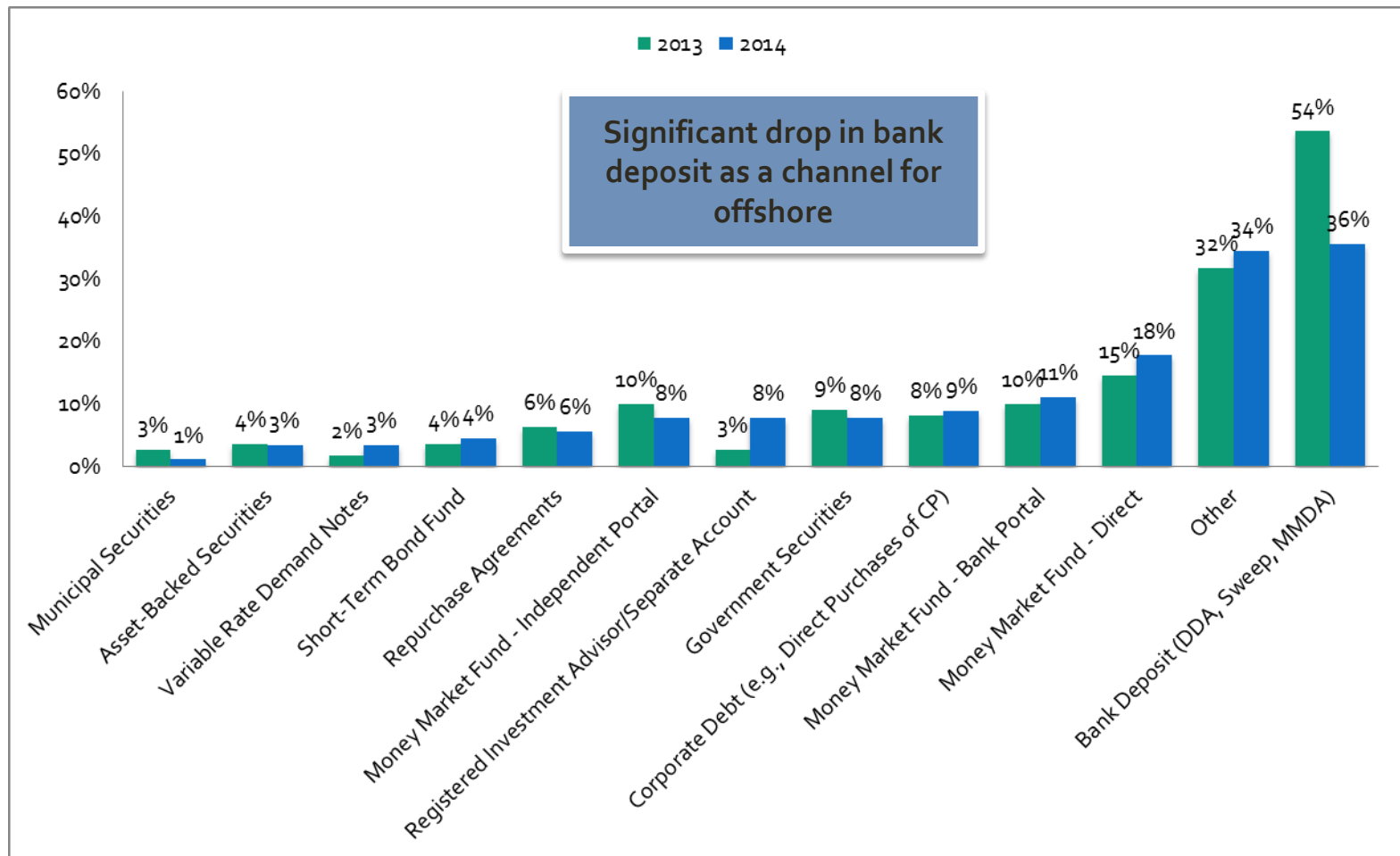


What U.S. investment channels are used for short-term funds?

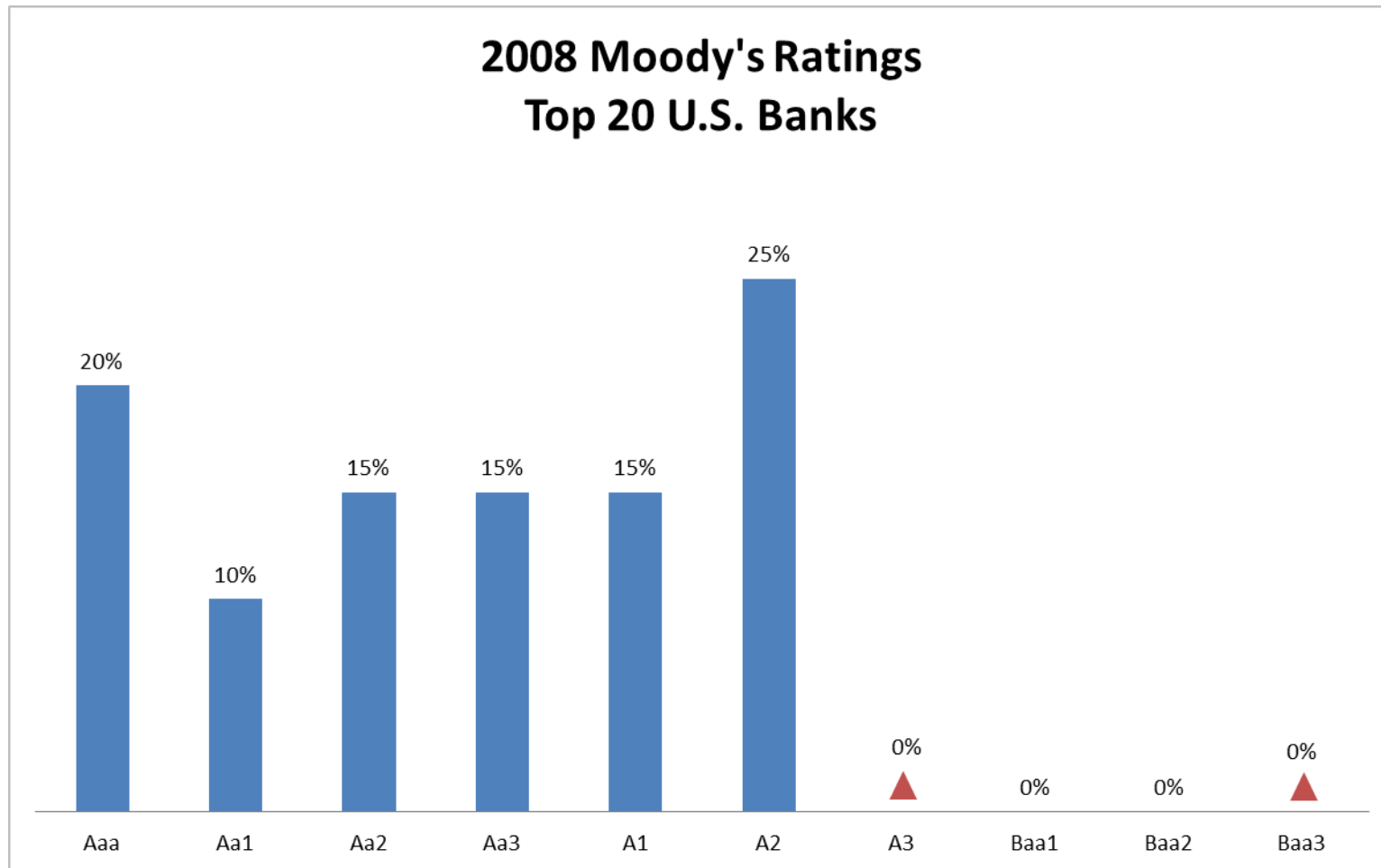
(Select all that apply)



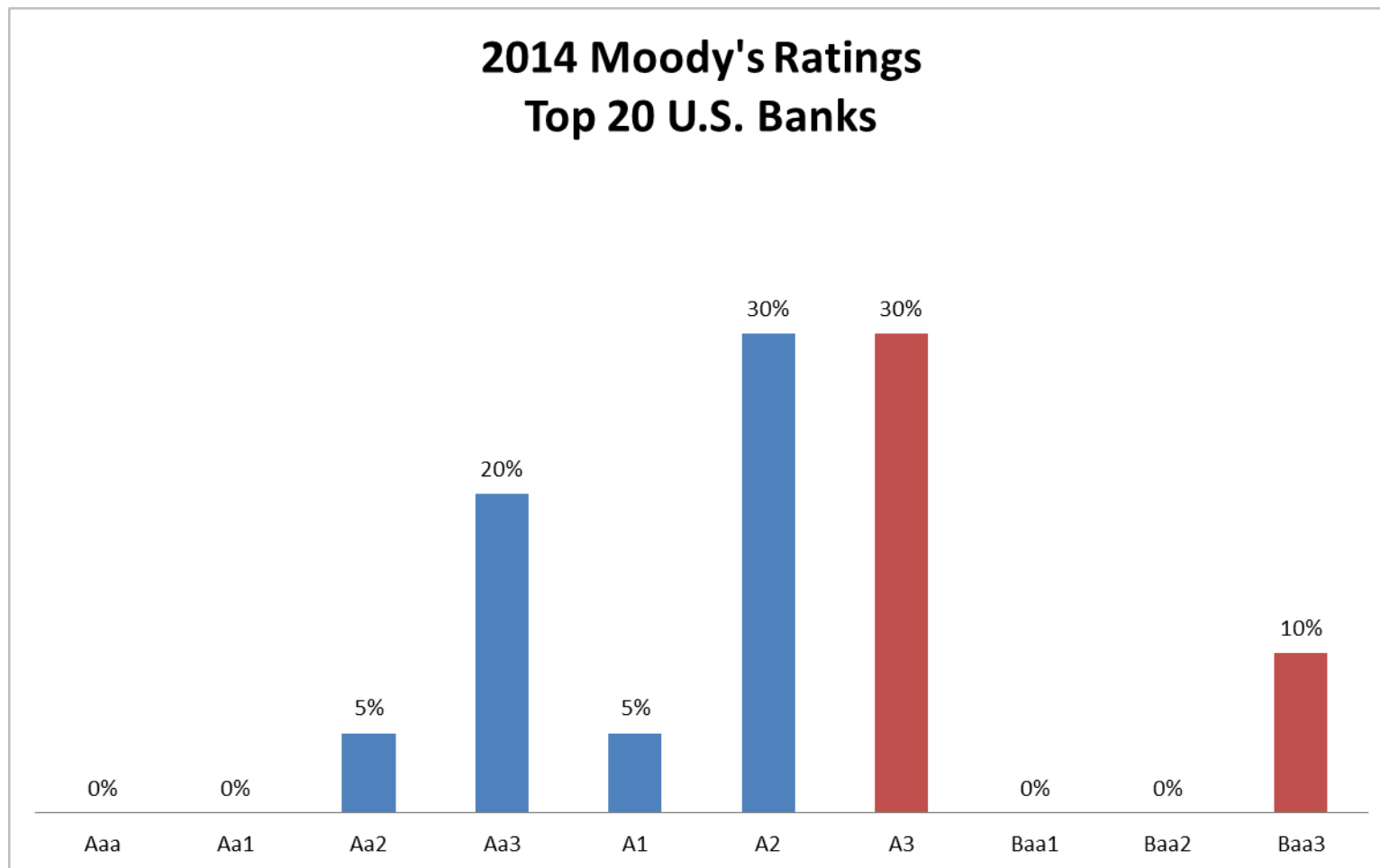
What off-shore investment channels are used for short-term funds? (Select all that apply)



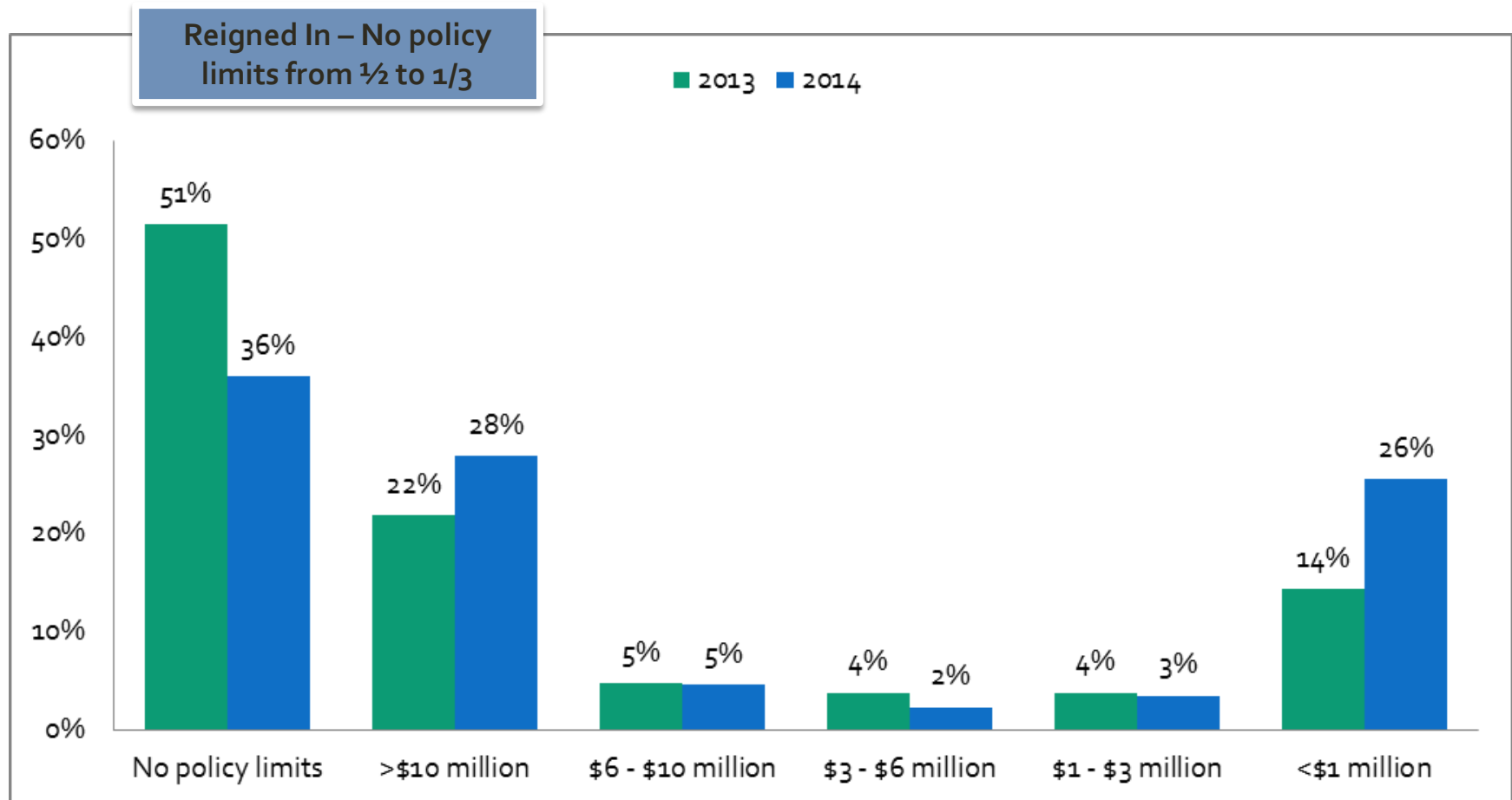
Surprising complacency to bank exposures



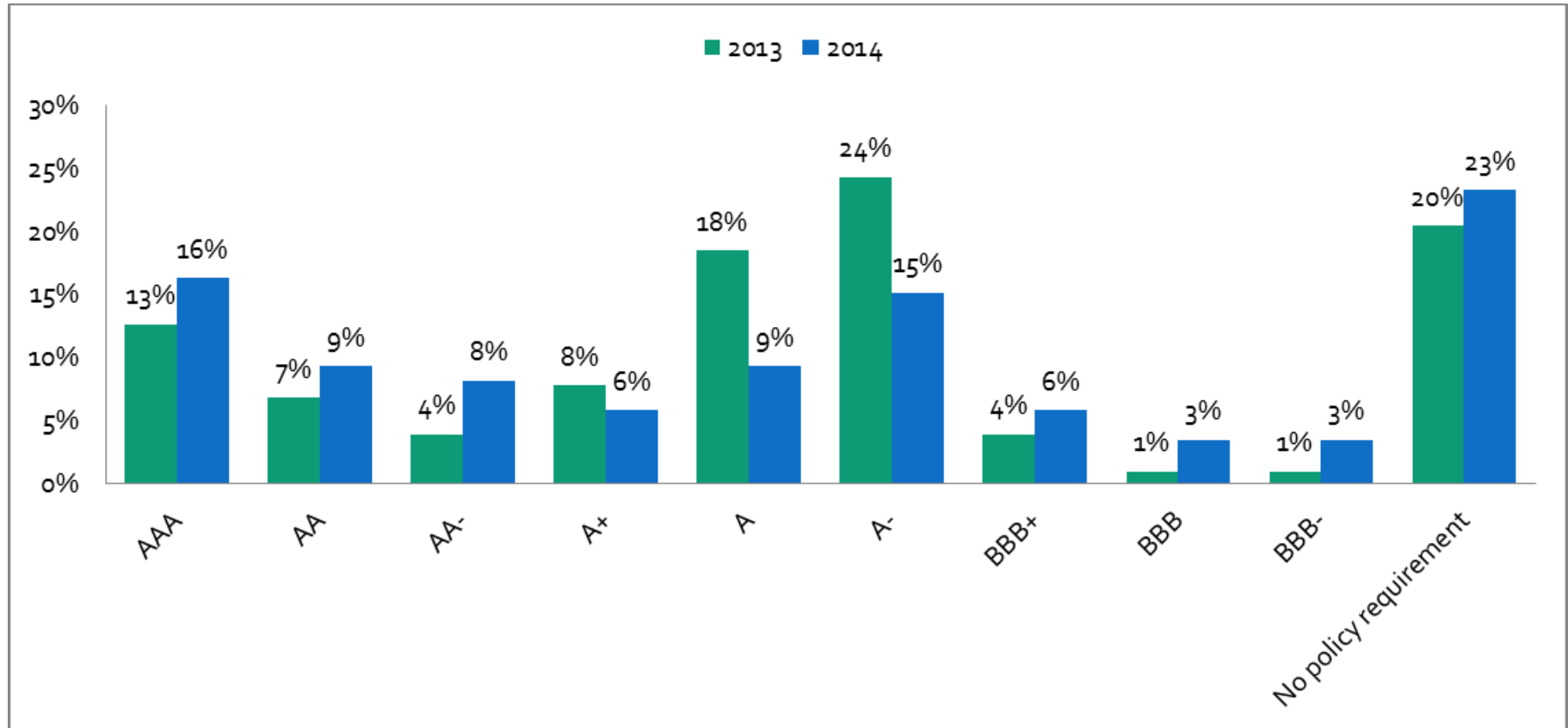
Surprising complacency to bank exposures



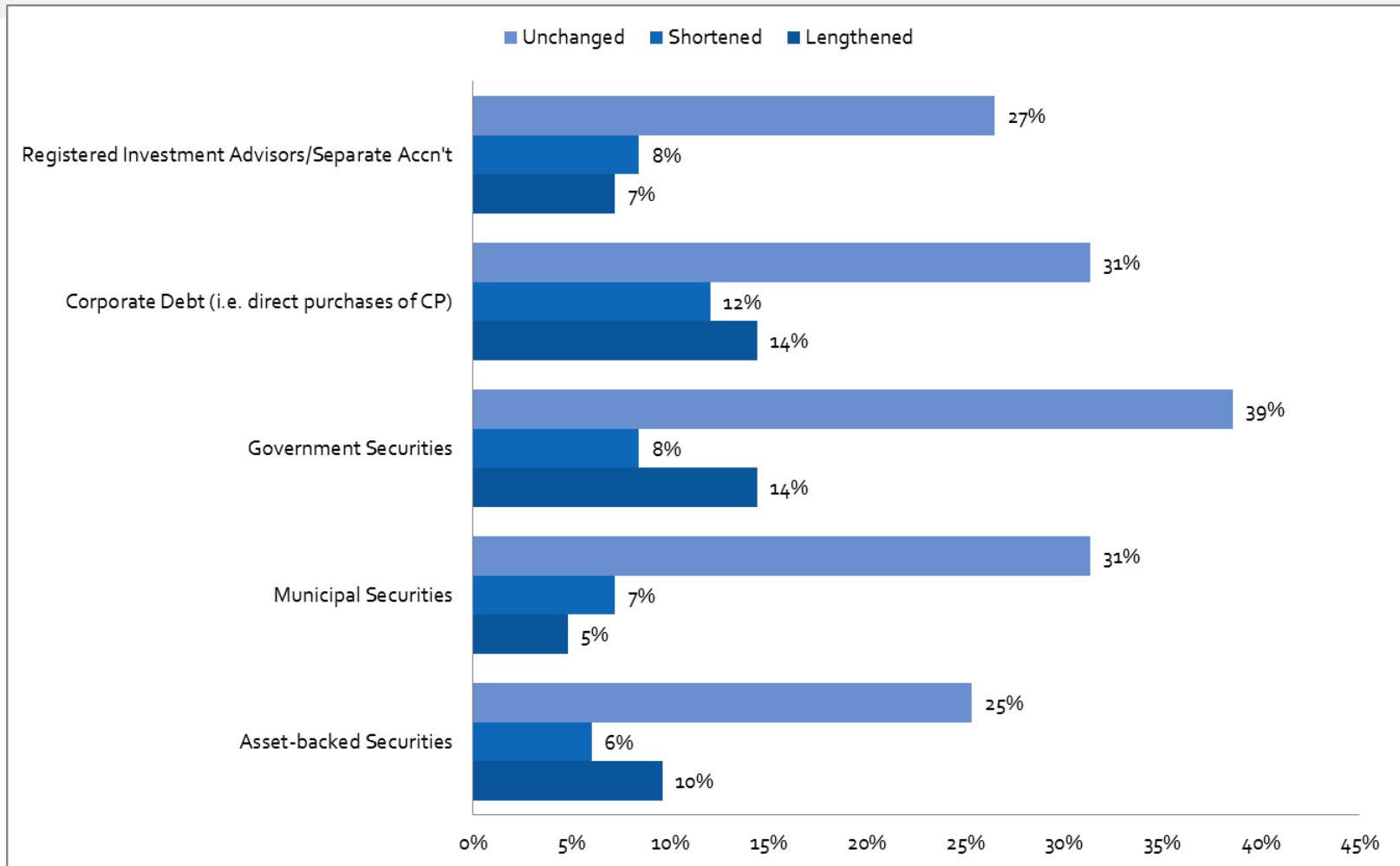
What is the maximum dollar value exposure your investment policy allows for uninsured bank deposits?



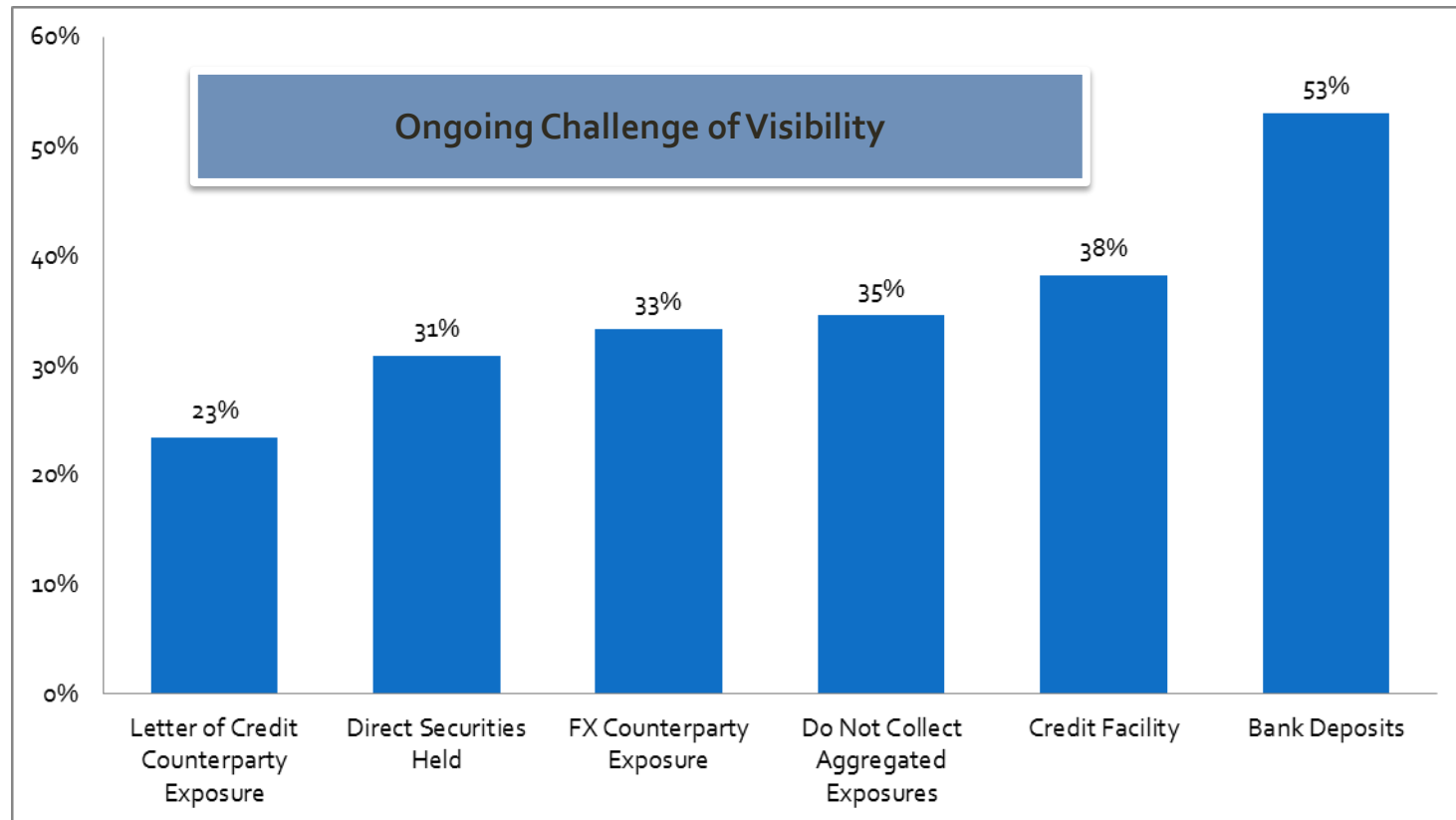
What is the minimum credit rating your investment policy allows for uninsured bank deposits?



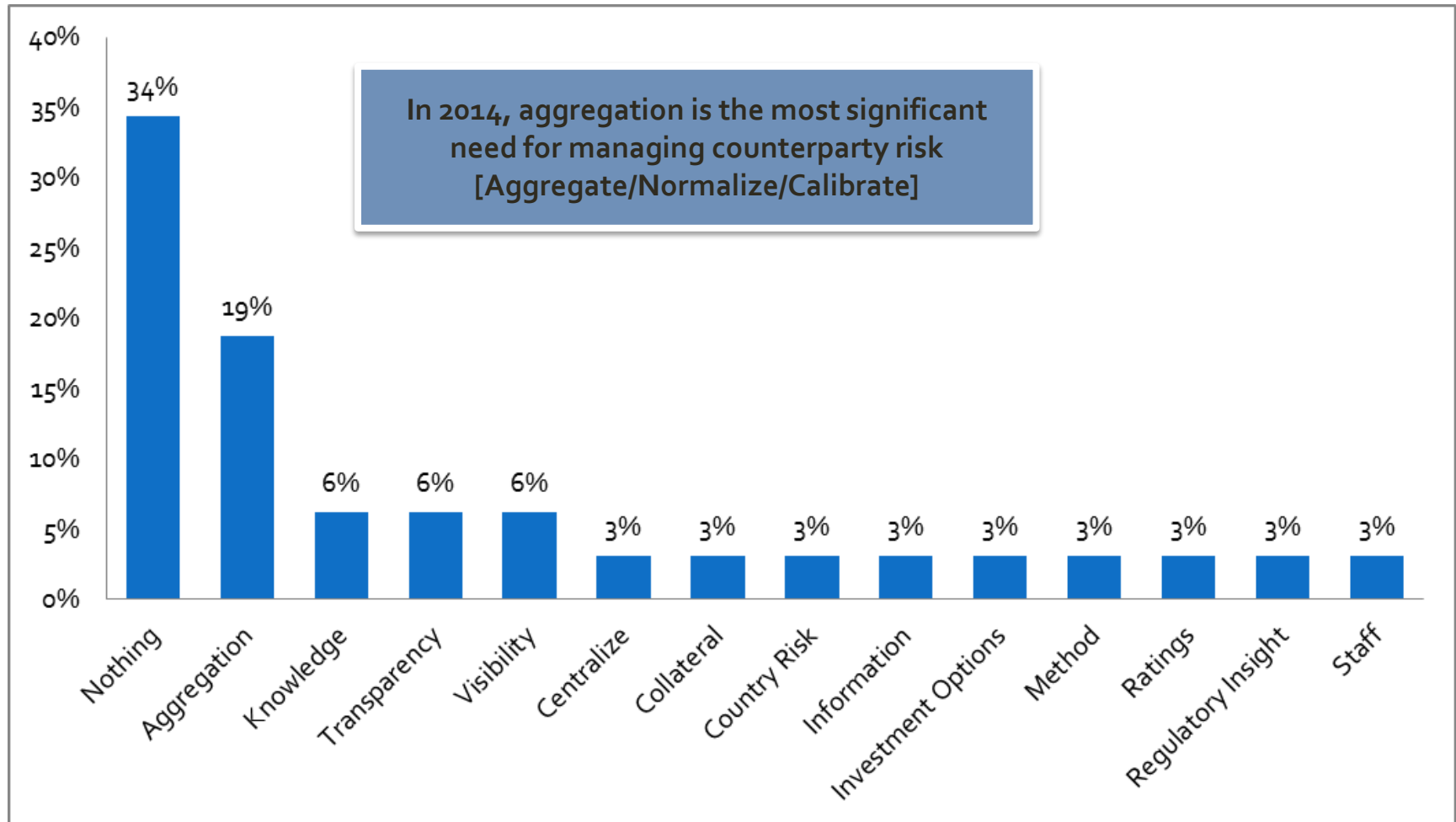
For each of the following investment channels, indicate whether the average maturity has lengthened, shortened, or remained unchanged. (Select all that apply)



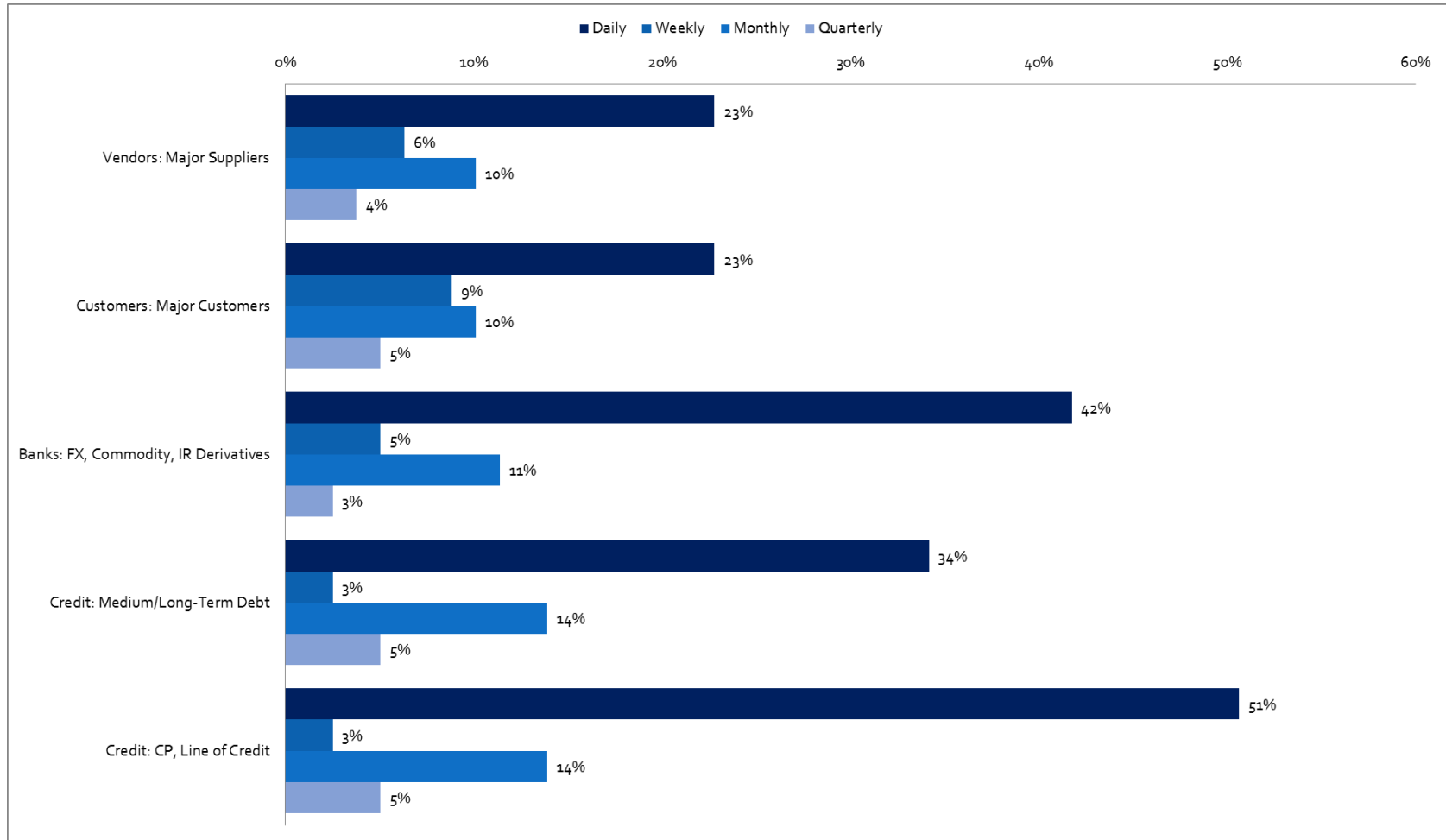
From which of the following possible channels does your company collect and review total counterparty exposures in aggregate?
(Select all that apply) Money Market Funds plus...



What do you believe is most urgently needed to help you better manage your risks to various counterparties?



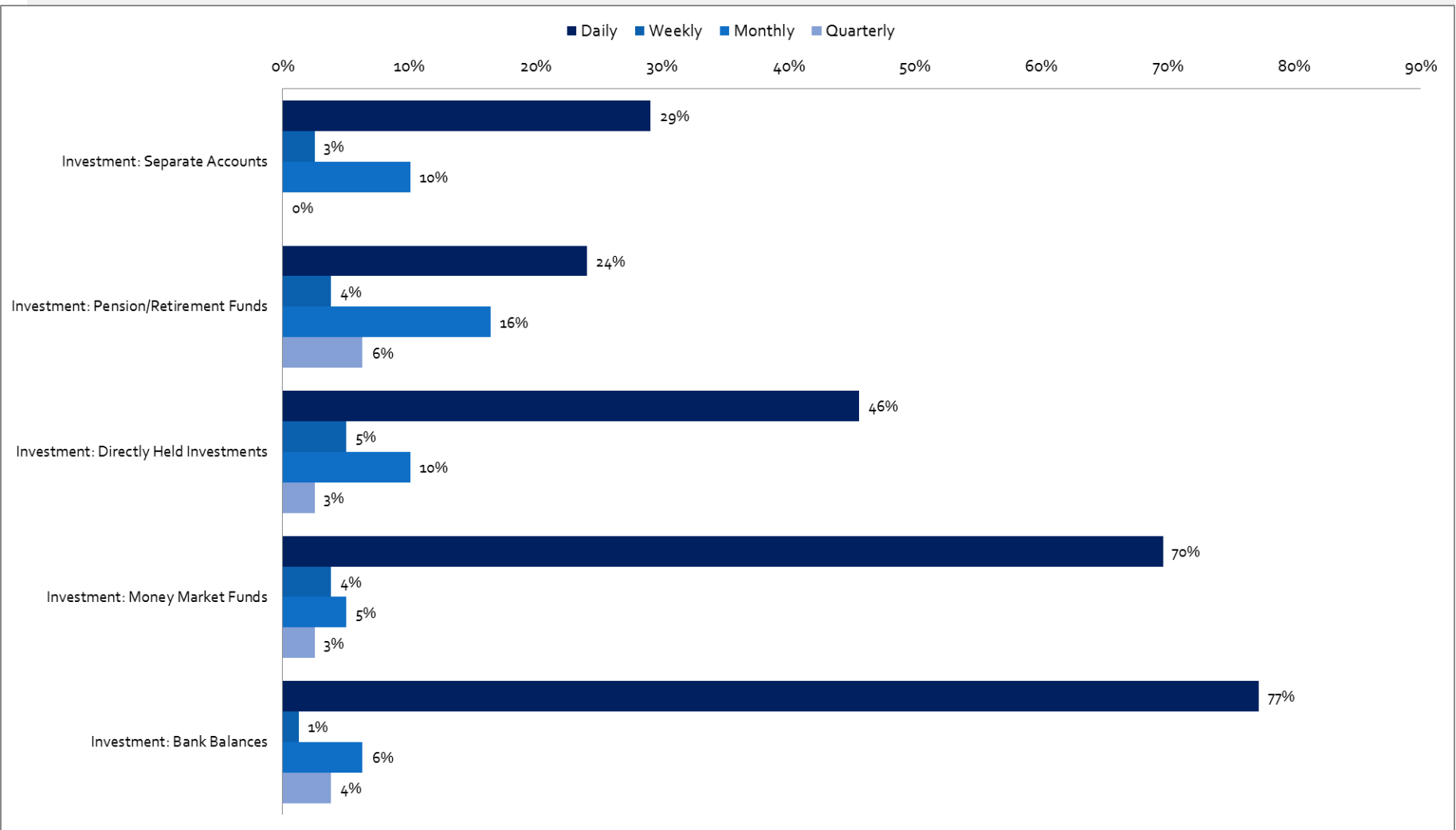
Indicate the level of *frequency* for which you have visibility (systematically) to various counterparties



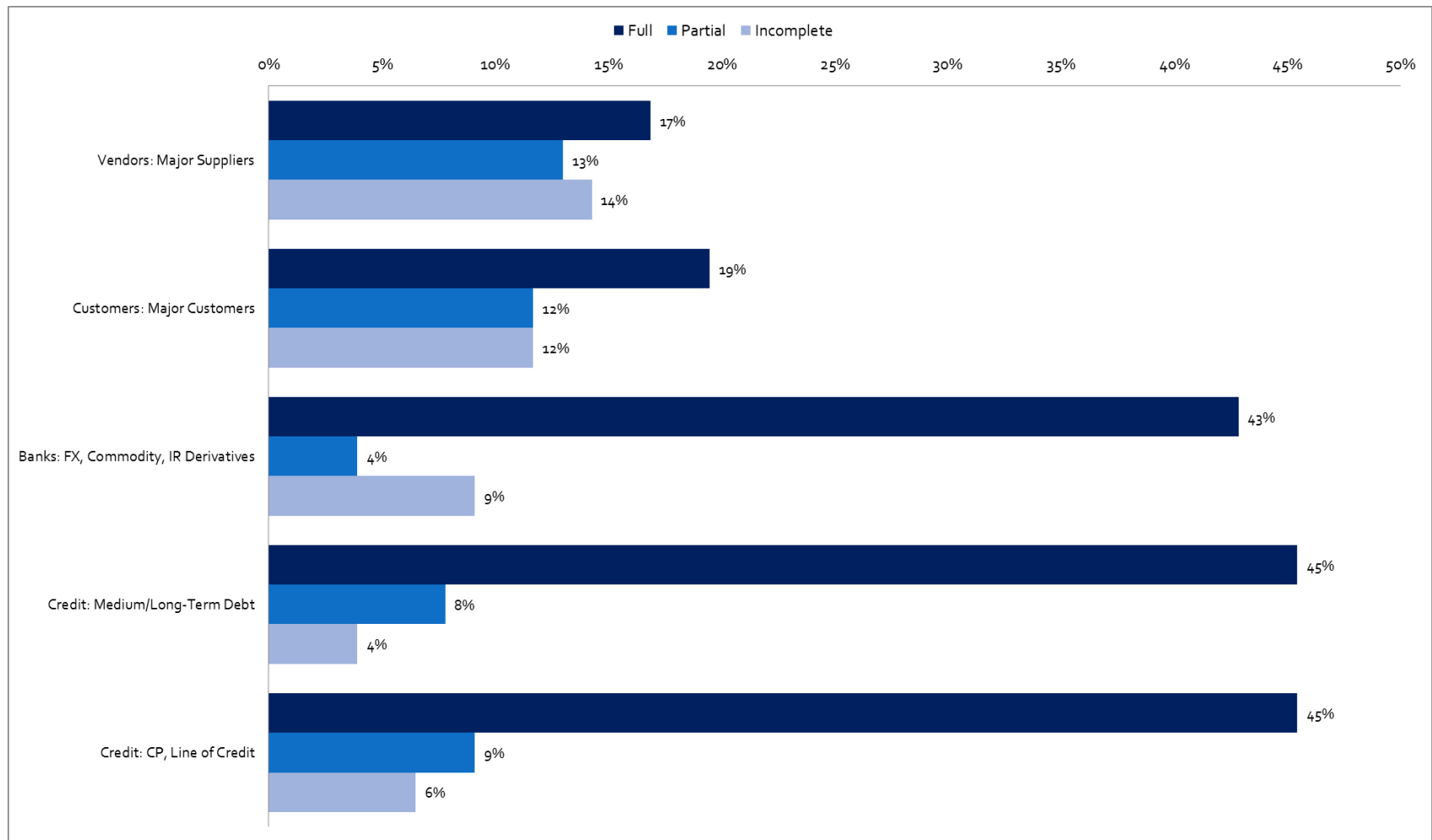
Those who answered “Not Applicable” not shown in graph.

Due to rounding, totals may not equal 100%.

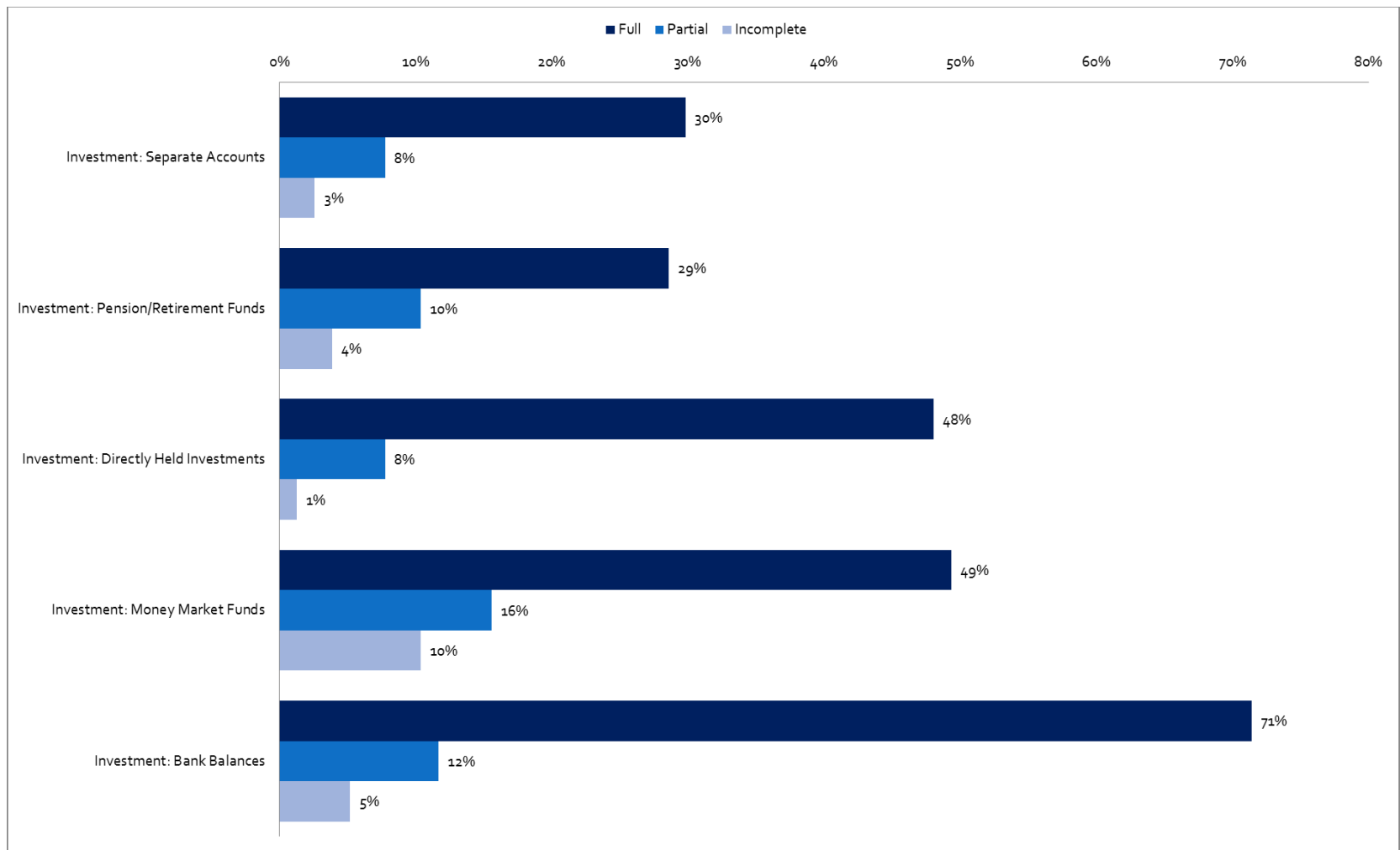
Indicate the level of *frequency* for which you have visibility (systematically) to various counterparties



Indicate the level of *detail* for which you have visibility (systematically) to various counterparties.

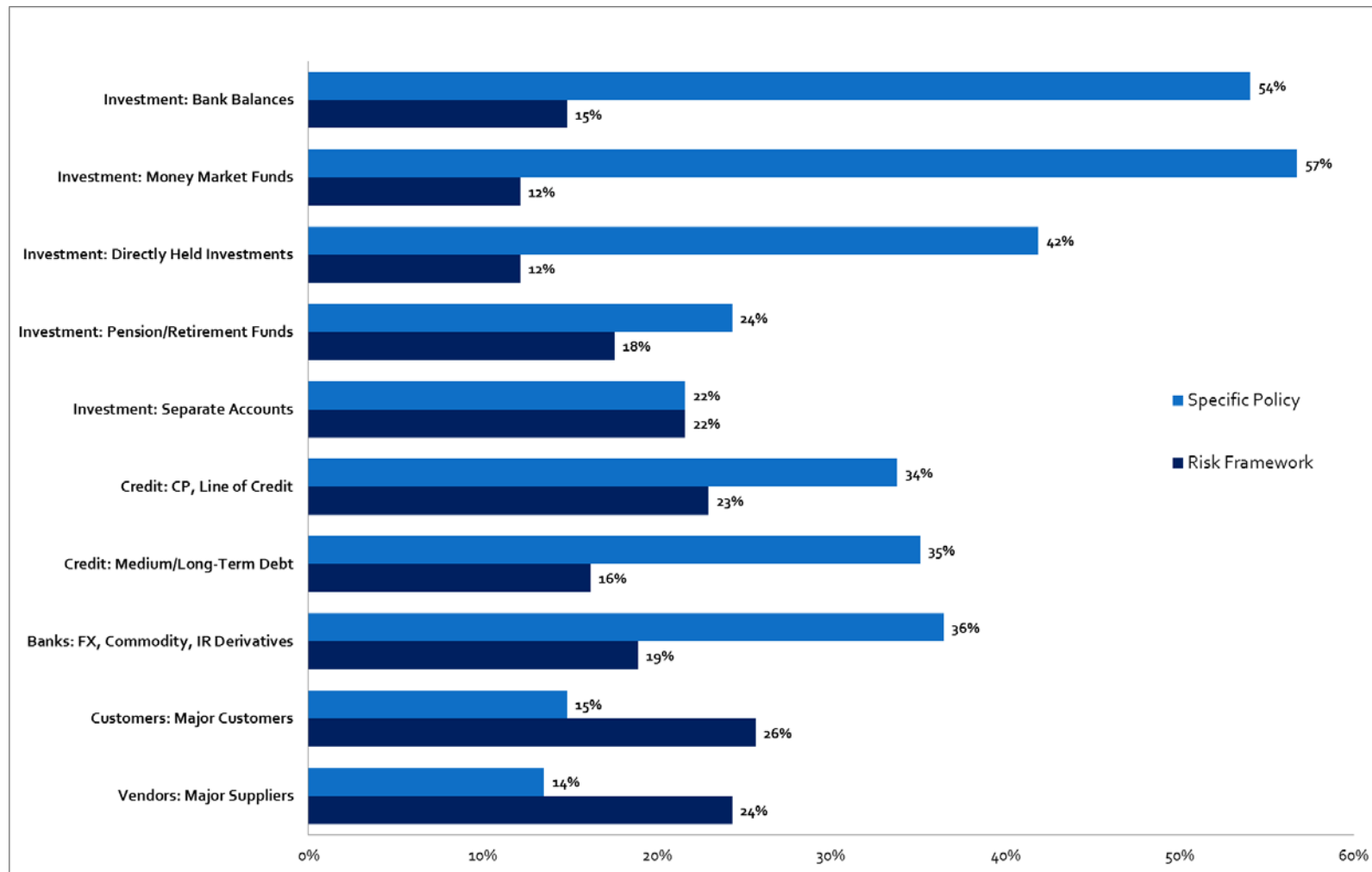


Indicate the level of *detail* for which you have visibility (systematically) to various counterparties.



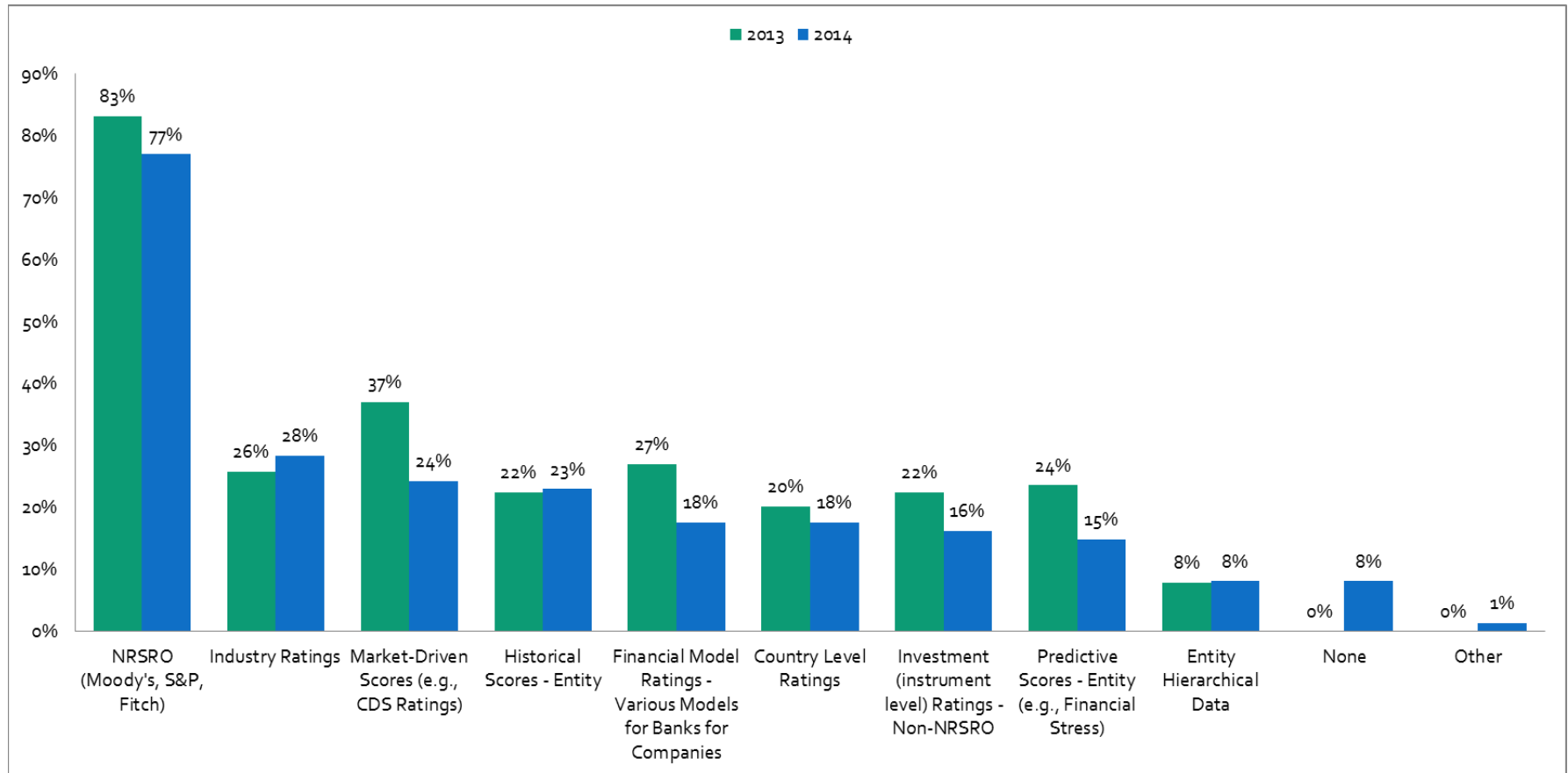
Those who answered "Not Applicable" not shown in graph.
Due to rounding, totals may not equal 100%.

Which counterparty exposures are governed by a specific exposure policy and/or a risk framework? (Select all that apply)

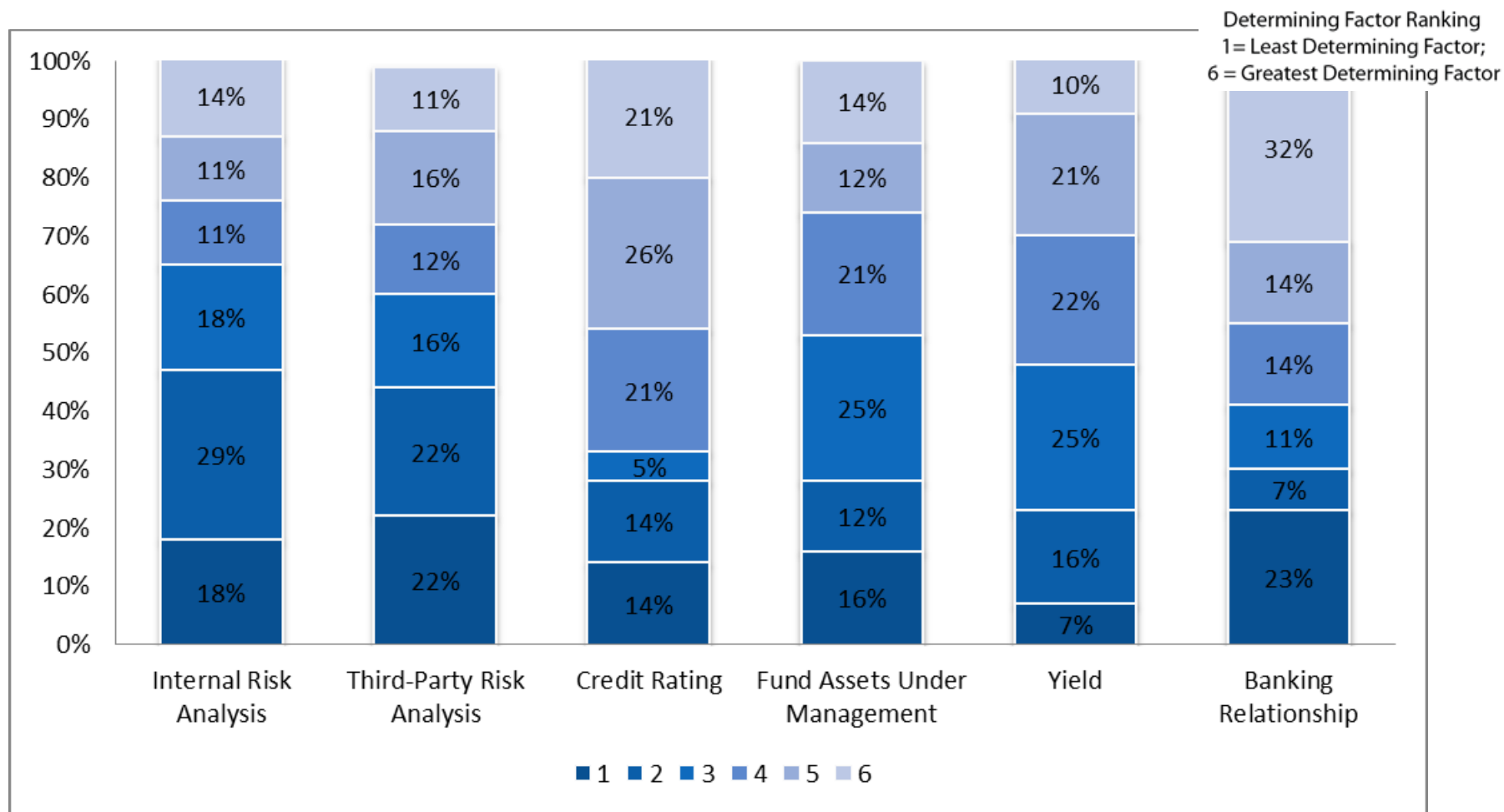


What types of data do you use to calibrate counterparty risks?

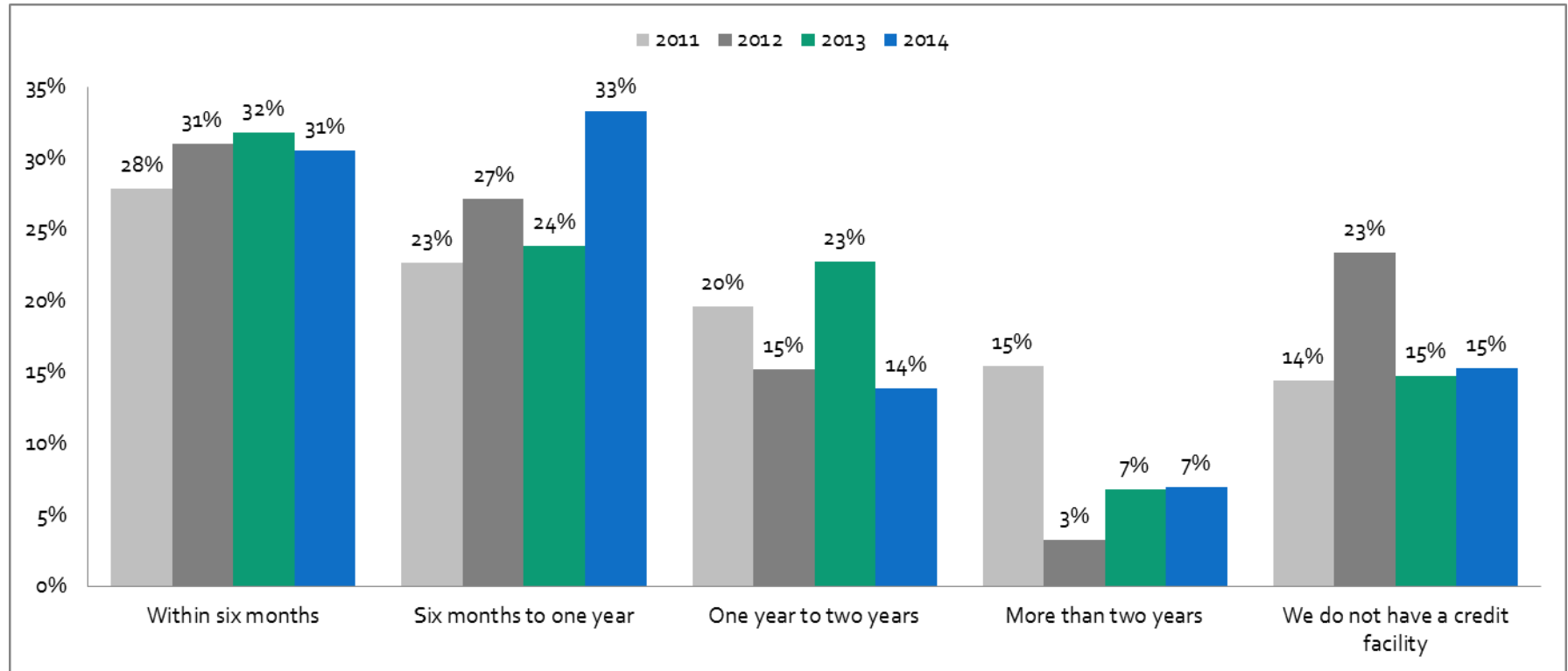
(Select all that apply)



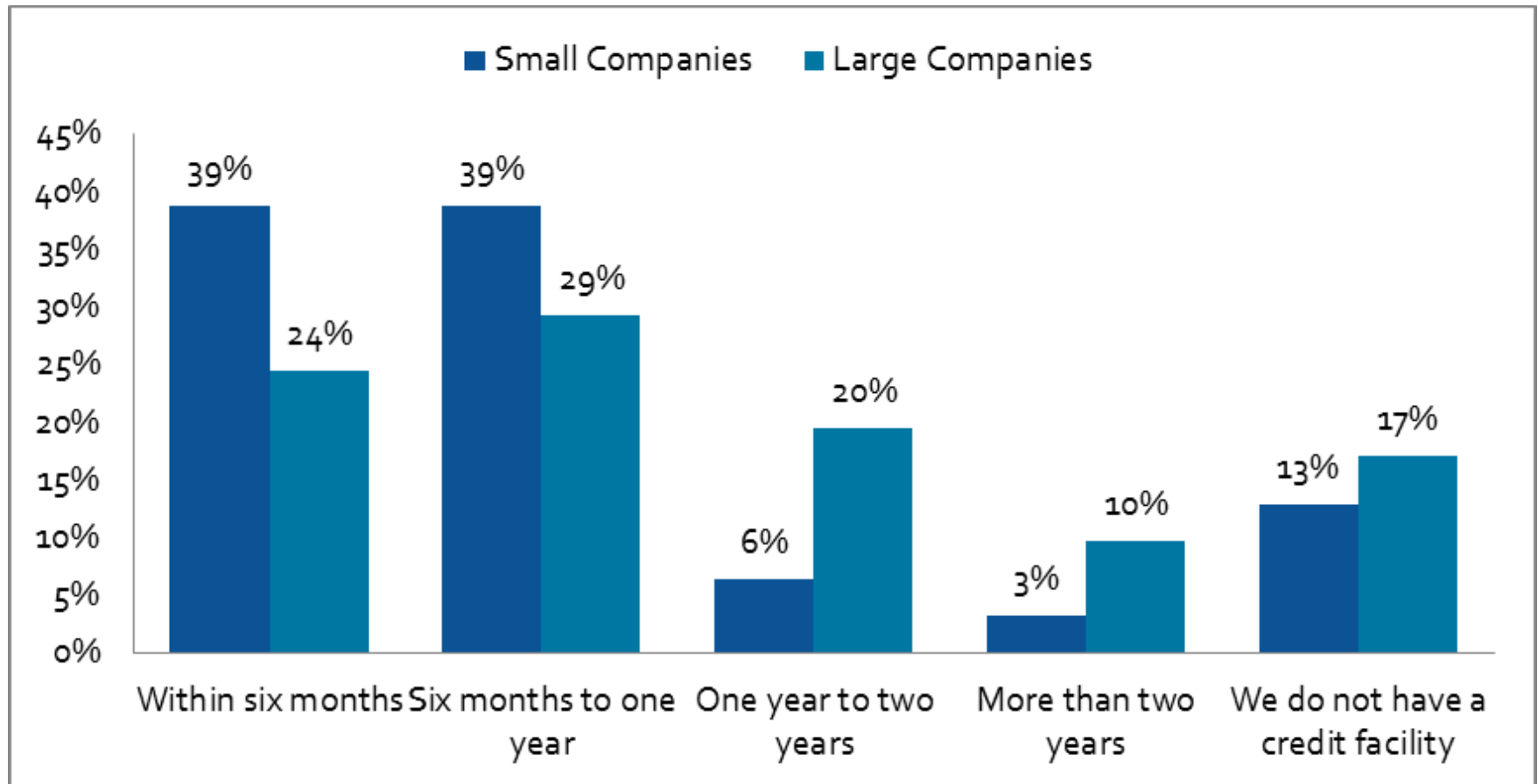
Rank the determining factors in the money market fund selection process



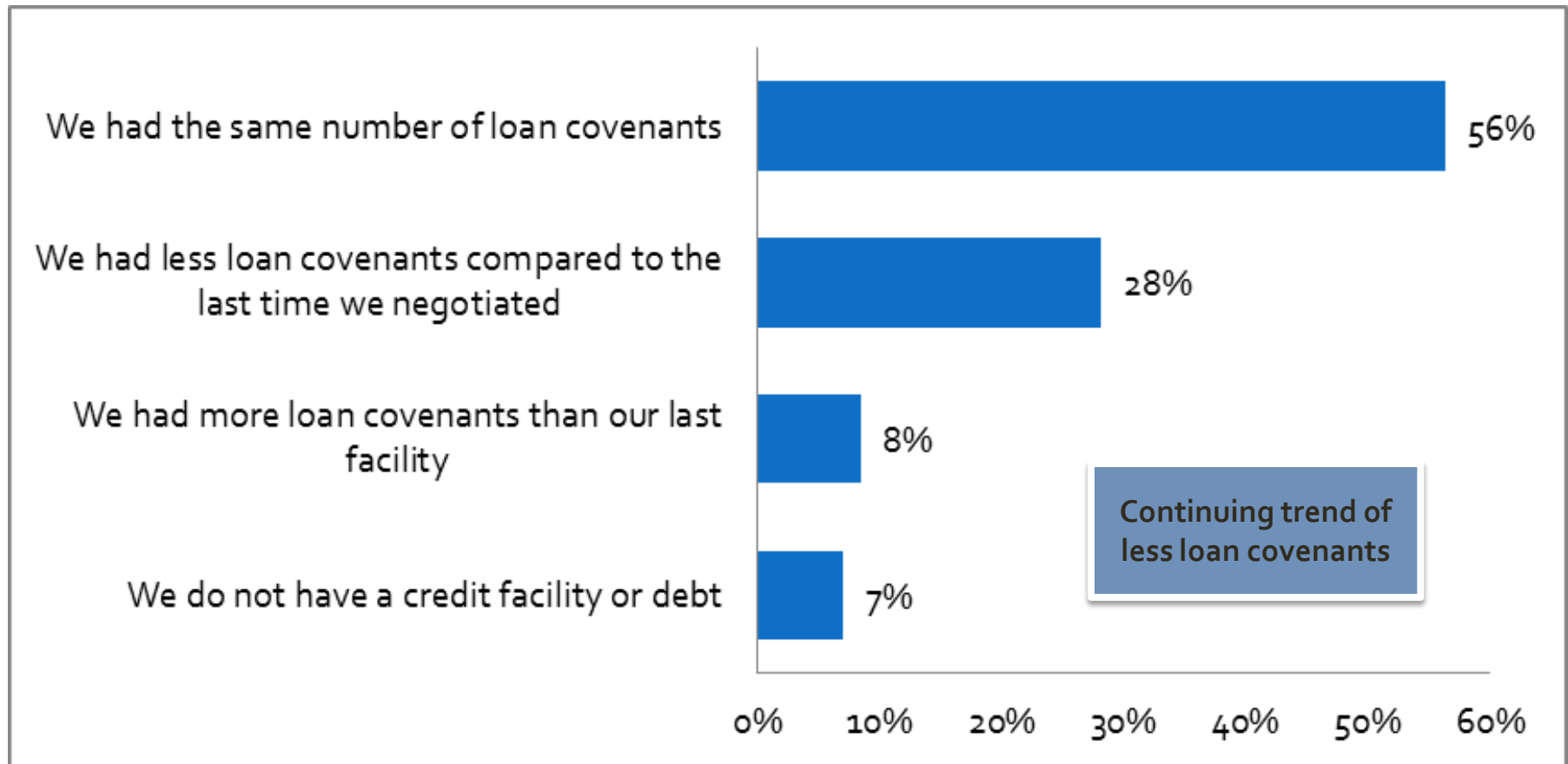
When was your most recent negotiation or renegotiation of your credit facility?



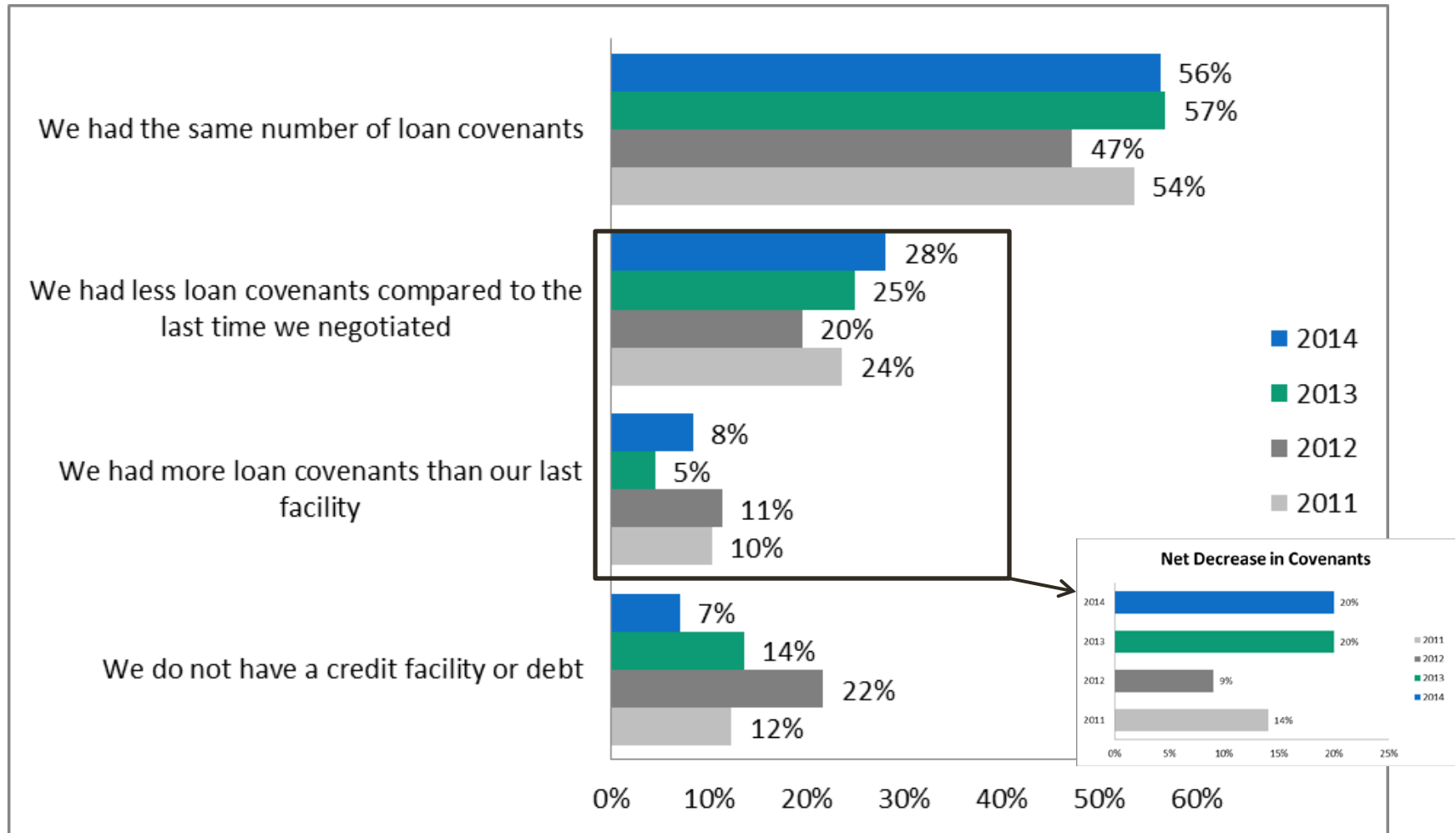
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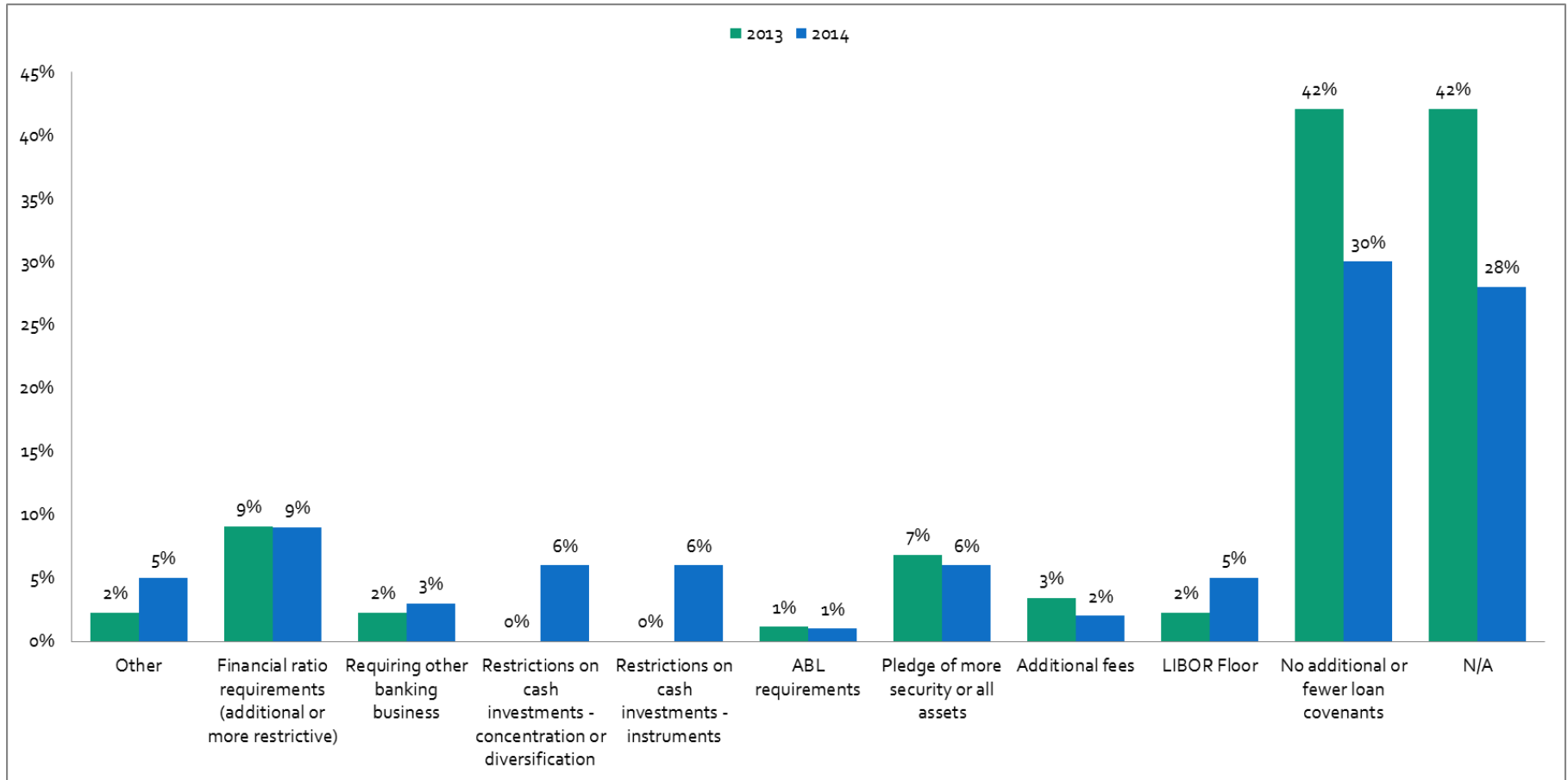
With regard to loan covenants, did you have:



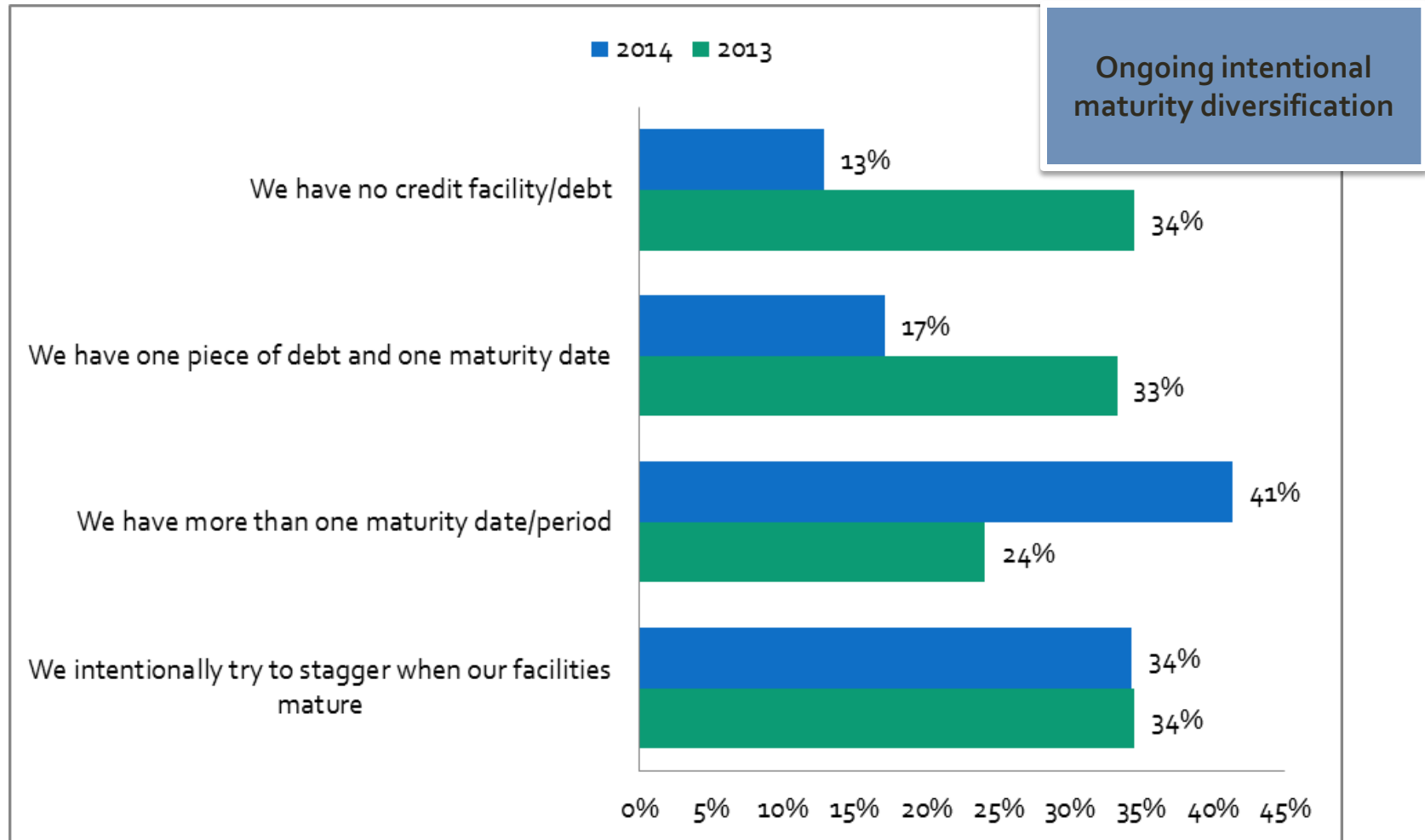
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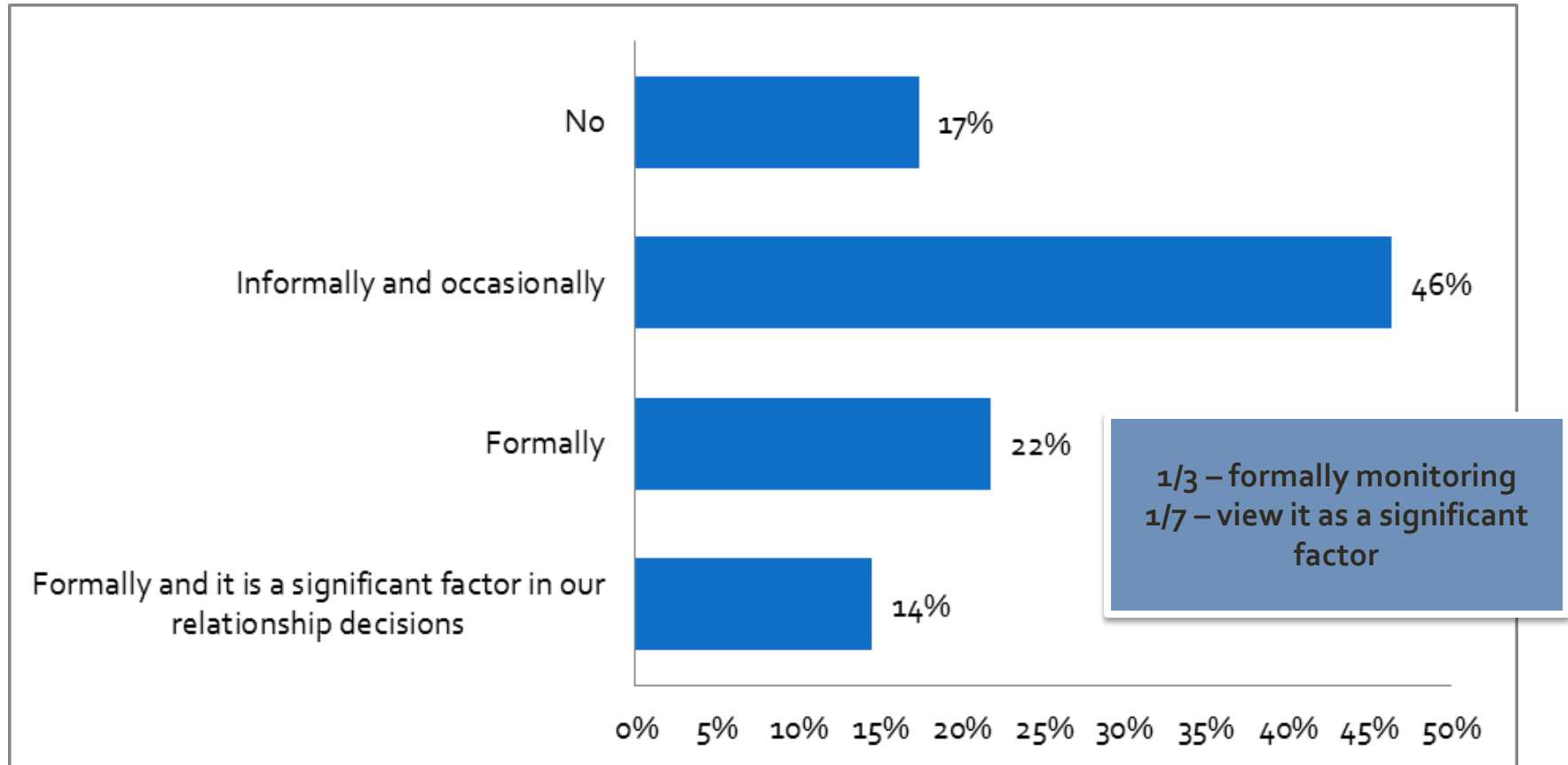
What types of loan covenants were added or changed in your most recent debt/credit facility?



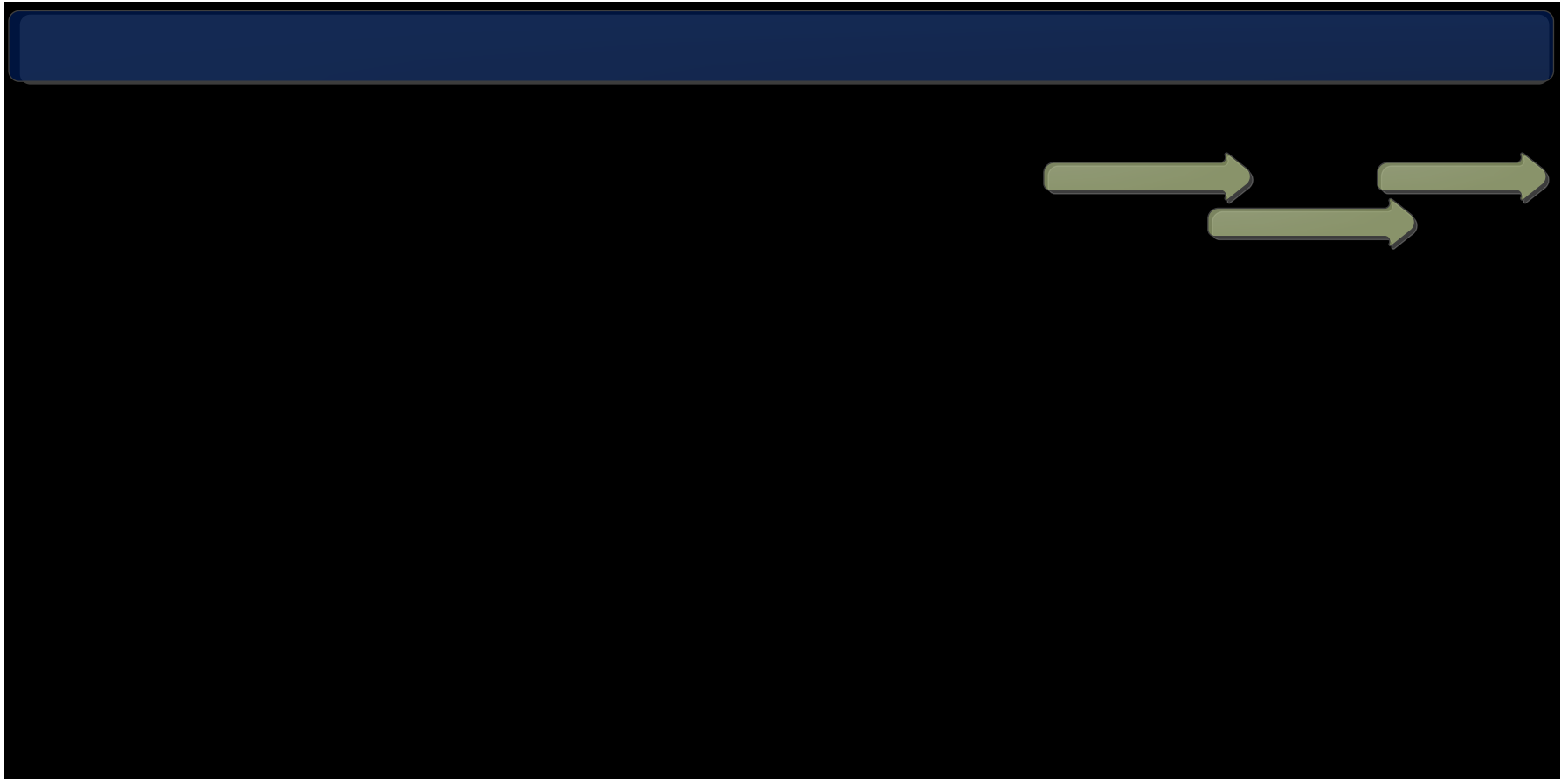
Which answer best describes the maturity dates of your credit facilities and other types of debt?



Do you actively monitor your credit counterparties (debt, consolidations)?



Summary of 2014 Survey



Prize Winners

Surface Pro: Chris Smither

Runner up prizes: Julie Hajny, Jurek Pieczonka

Thank you for your participation in this year's Liquidity Risk Survey!

Webinar: 2014 Liquidity Risk Survey Results “The Delay Factor”

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