

2023 OUTLOOK FOR TREASURY: STRATEGIES FOR SUCCESS



BOB STARK

Global Head of Market Strategy, Kyriba

CRAIG JEFFERY

Managing Partner, Strategic Treasurer



WHAT

Considering how treasury can reduce vulnerability to market volatility and implement a playbook for more efficiency, optimized liquidity and better forecasting.



WHEN

Tuesday, January 17, 2023
2:00 – 3:00 PM EST



WHERE

Live online presentation
Replays at StrategicTreasurer.com



FP&A

Certified Corporate
Financial Planning &
Analysis Professional

This presentation is provided by Strategic Treasurer and Kyriba.

ABOUT THE SPEAKERS

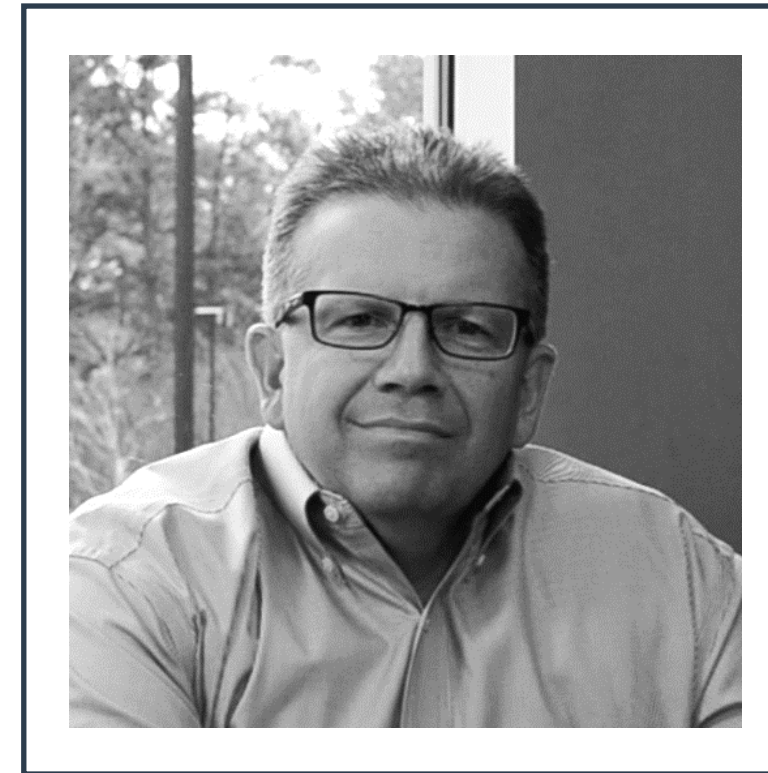
GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



BOB STARK

Bob Stark has over 20 years' experience in treasury, driving product and market strategy for many of the best known technology providers in the industry. As the head of market strategy at Kyriba, Bob works directly with clients, partners, and industry influencers to ensure Kyriba is at the forefront of financial technology.

Stark has provided treasury management strategy to some of the world's largest companies, and is a frequent speaker and author on treasury, risk management, and payments at AFP, EuroFinance, ACT, Sibos, and other industry events. Bob resides in Vancouver, Canada and is a graduate of Simon Fraser University in British Columbia.



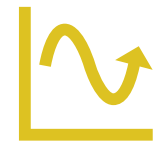
CRAIG JEFFERY

Craig Jeffery formed Strategic Treasurer in 2004 to provide corporate, educational and government entities direct access to comprehensive and current assistance with their treasury and financial process needs.

His 30+ years of financial and treasury experience as a practitioner and as a consultant have uniquely qualified him to help organizations craft realistic goals and achieve significant benefits quickly.

TOPICS OF DISCUSSION

KEY AREAS OF FOCUS &
ANALYSIS



VOLATILITY

CONTRIBUTING FACTORS



DESIRED OUTCOMES

HOW TO ACHIEVE THEM



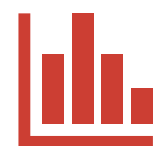
DATA-DRIVEN TREASURY

PROGRESS & GOALS



FORECASTING & LIQUIDITY

DISTINCTIONS



STRESS TEST & SCENARIO ANALYSIS

IMPROVING FORECASTING
ACCURACY



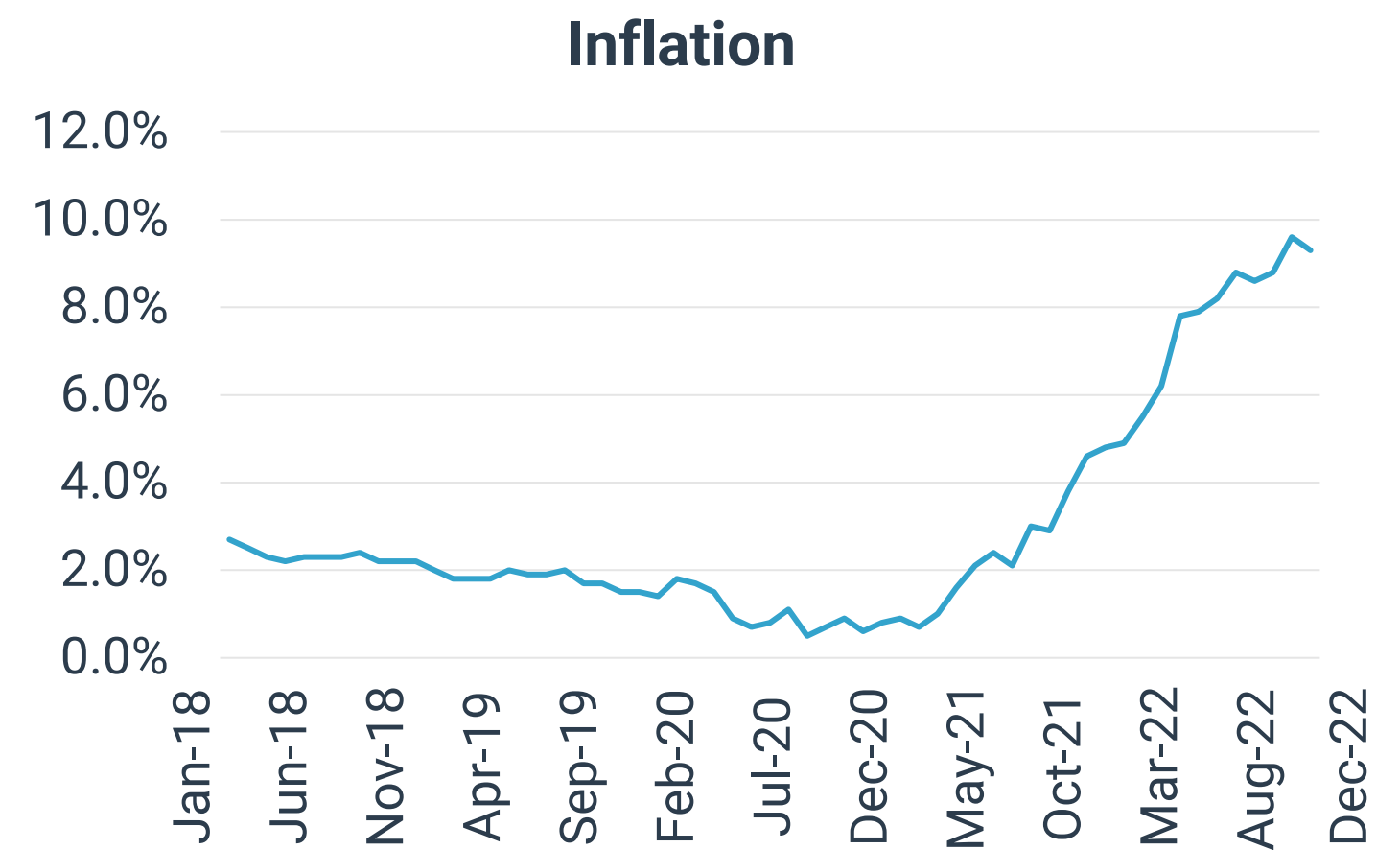
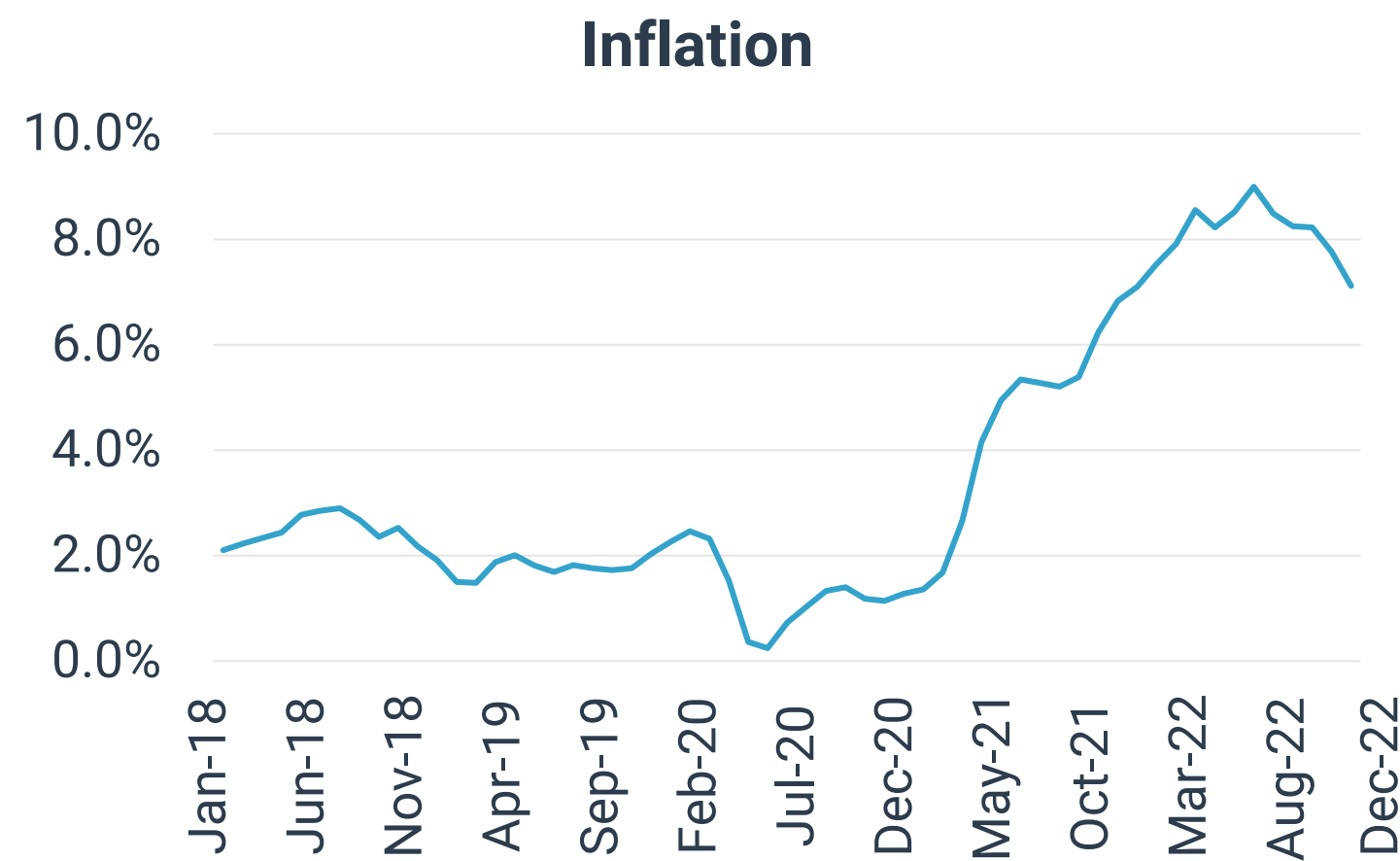
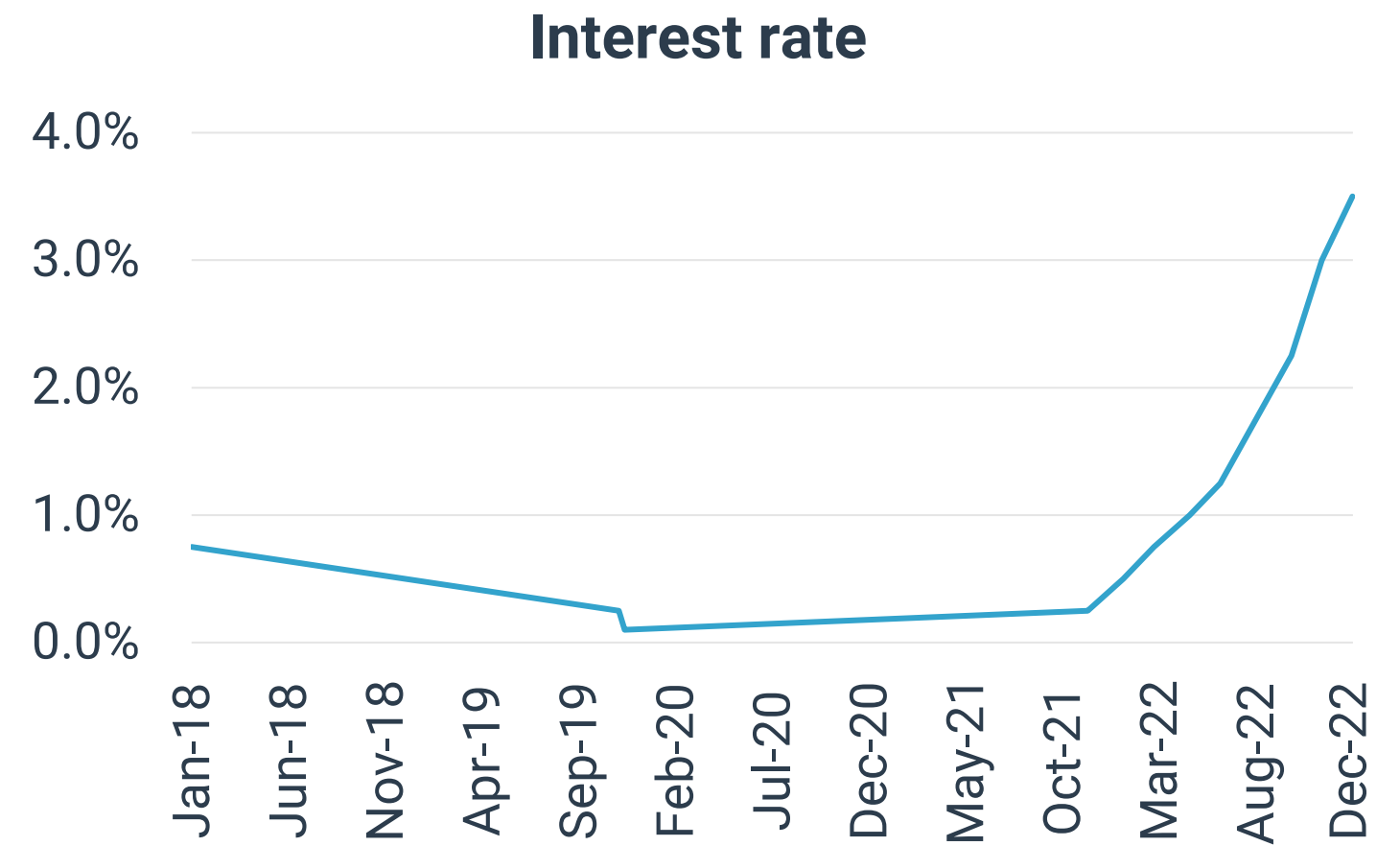
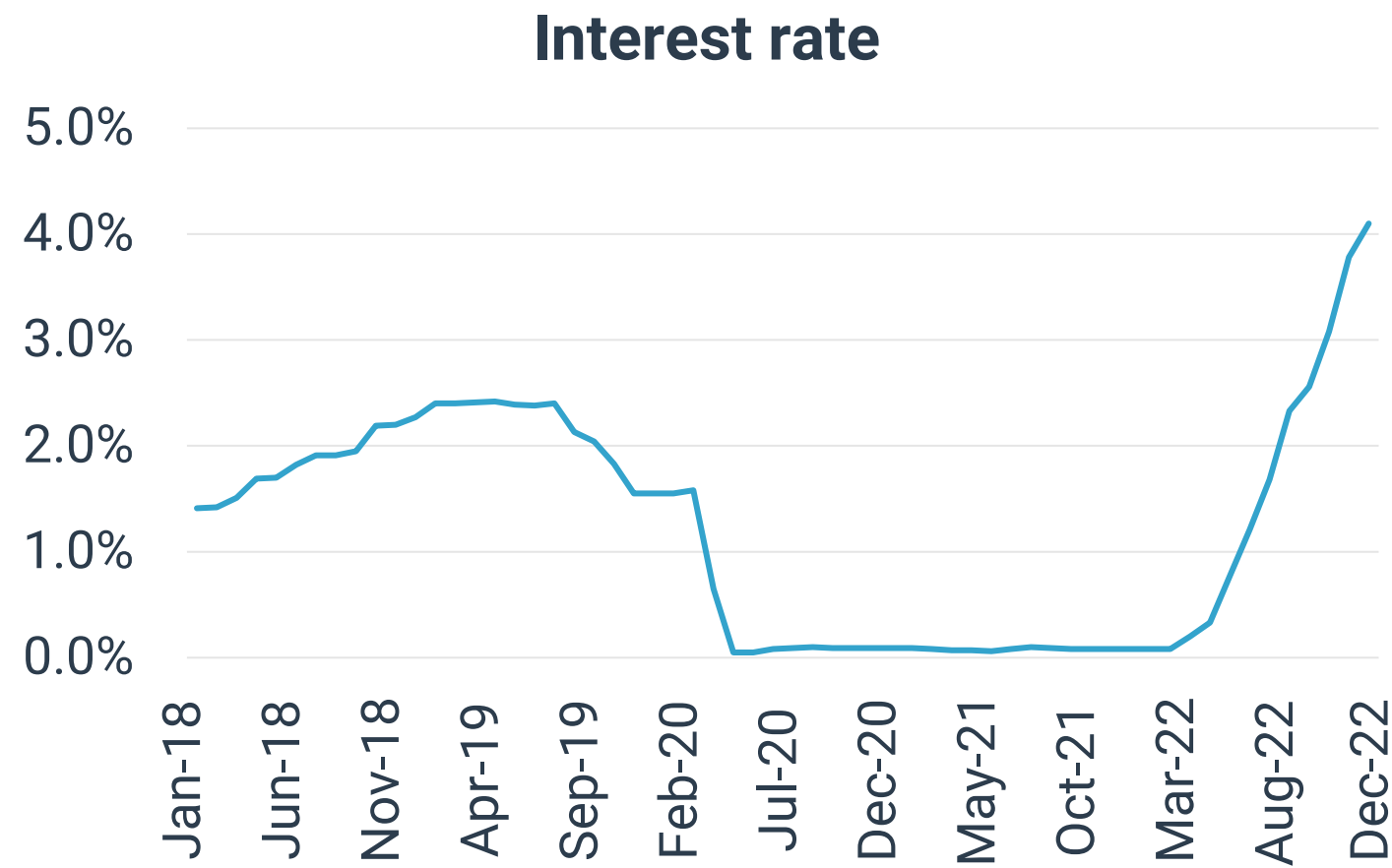
KEY TAKEAWAYS

AND FINAL THOUGHTS

INTEREST RATES

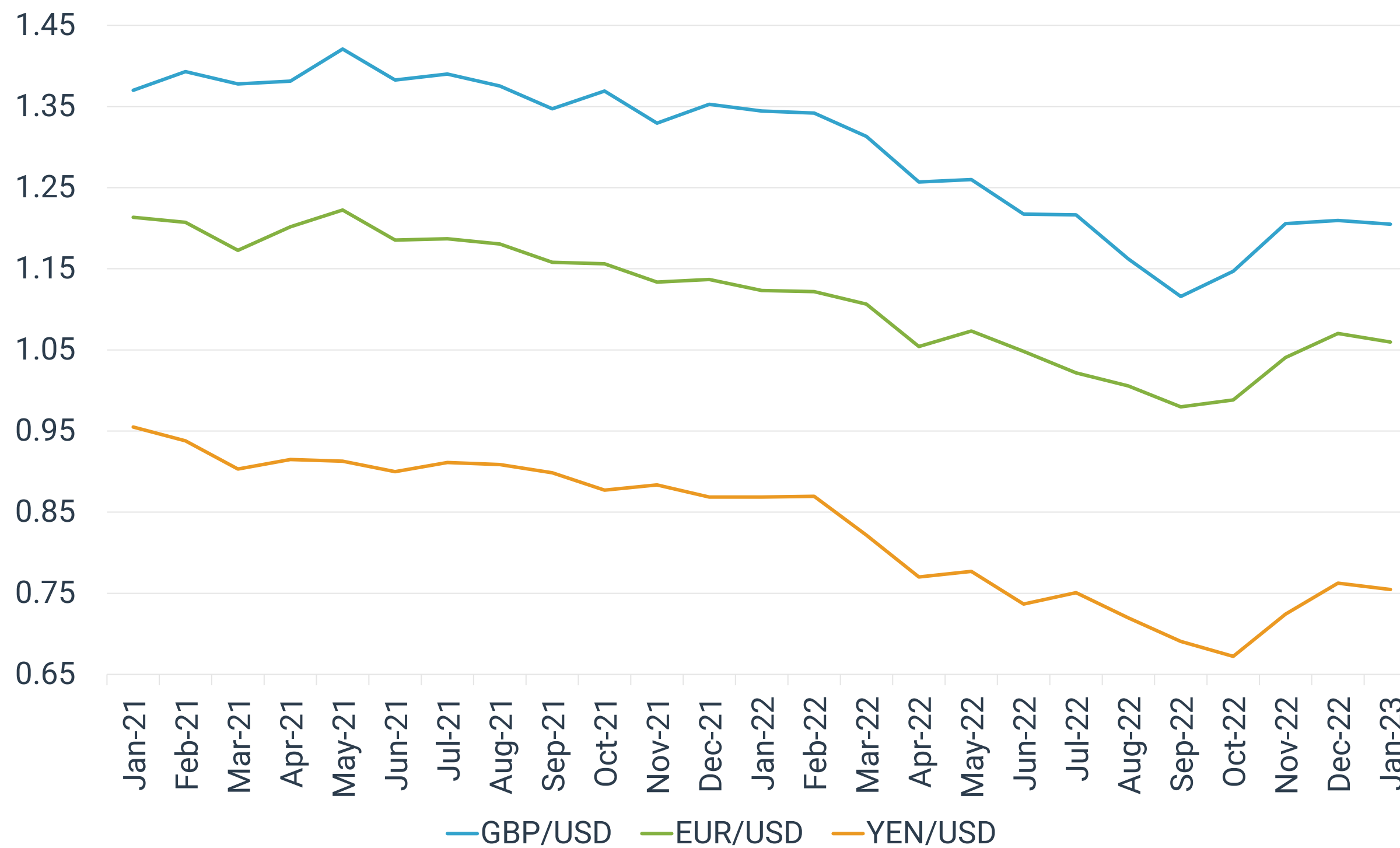
AIMING TO STEM INFLATION

US **UK**



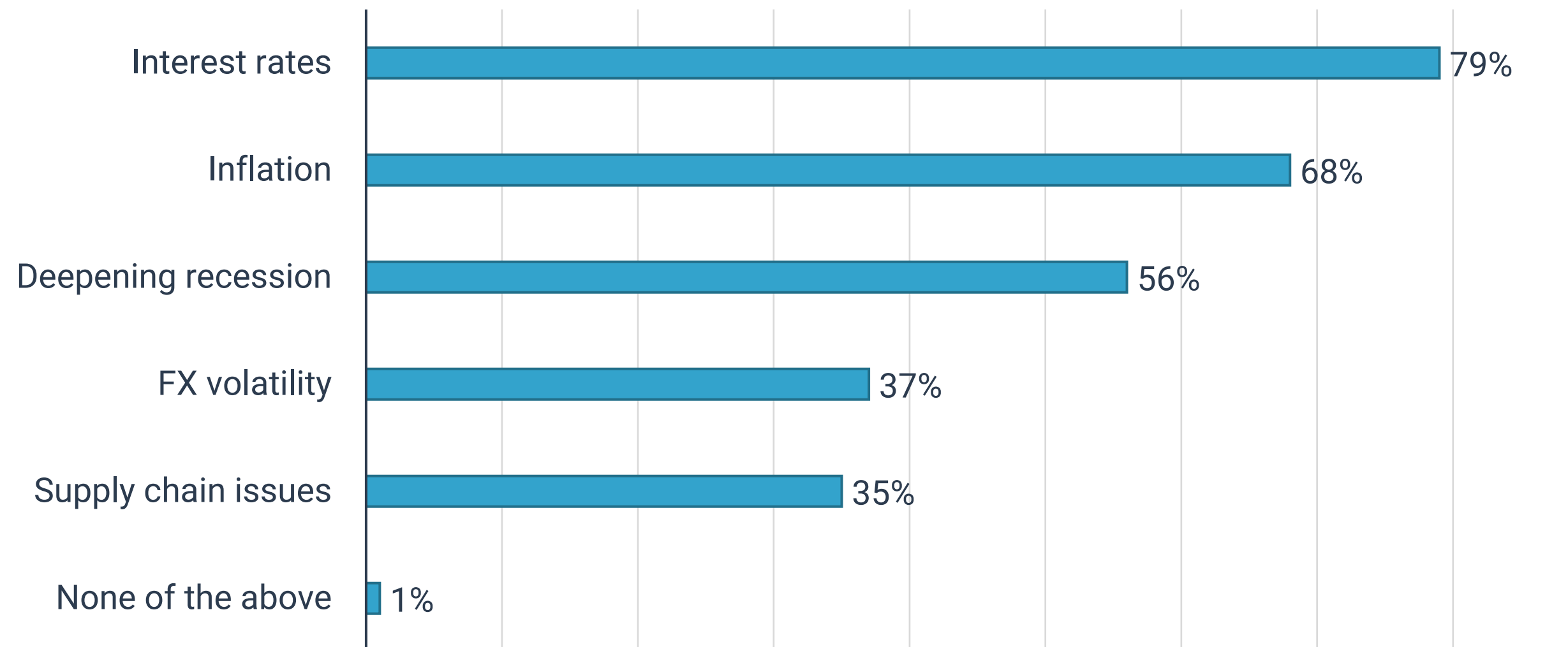
FOREIGN EXCHANGE

VOLATILITY



POLL QUESTION

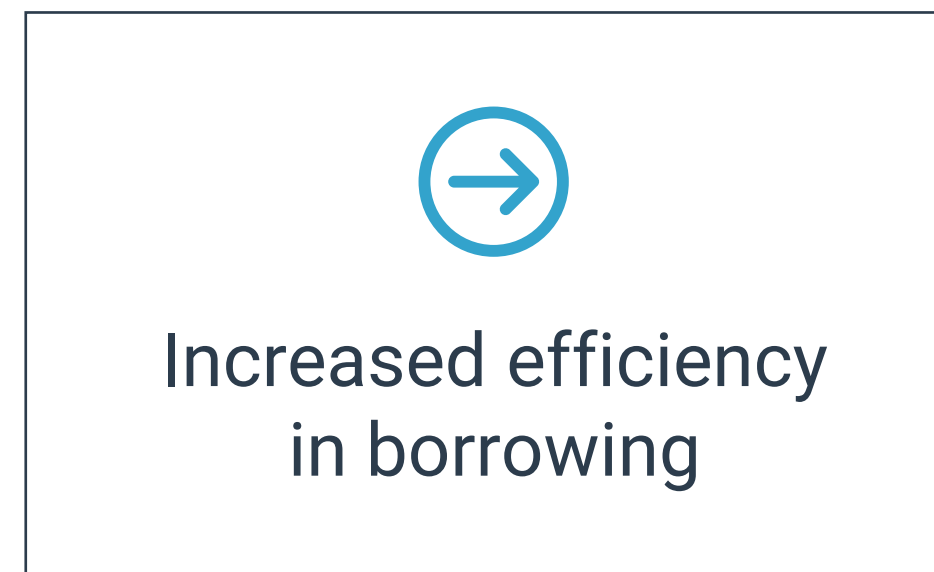
Poll 1 - Our organization is moderately to heavily concerned about the below: (all that apply)



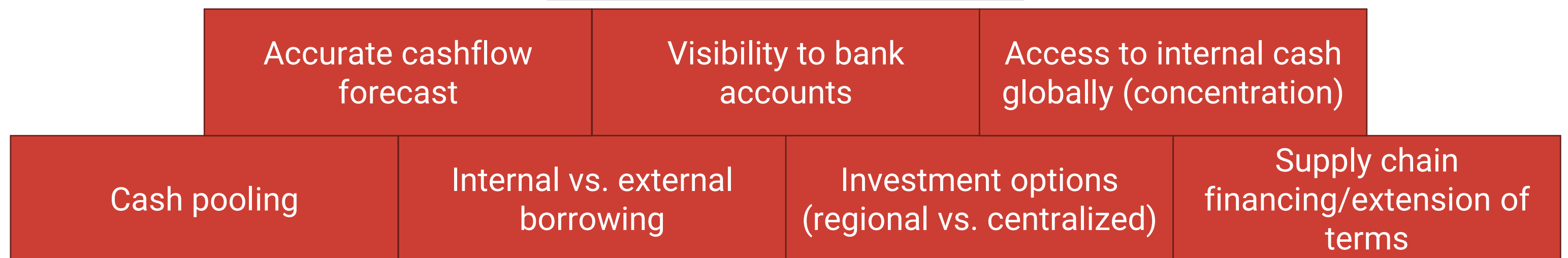
DESIRED OUTCOMES

IN A RISING INTEREST RATE ENVIRONMENT

Outcome



**Foundation for a
better outcome**



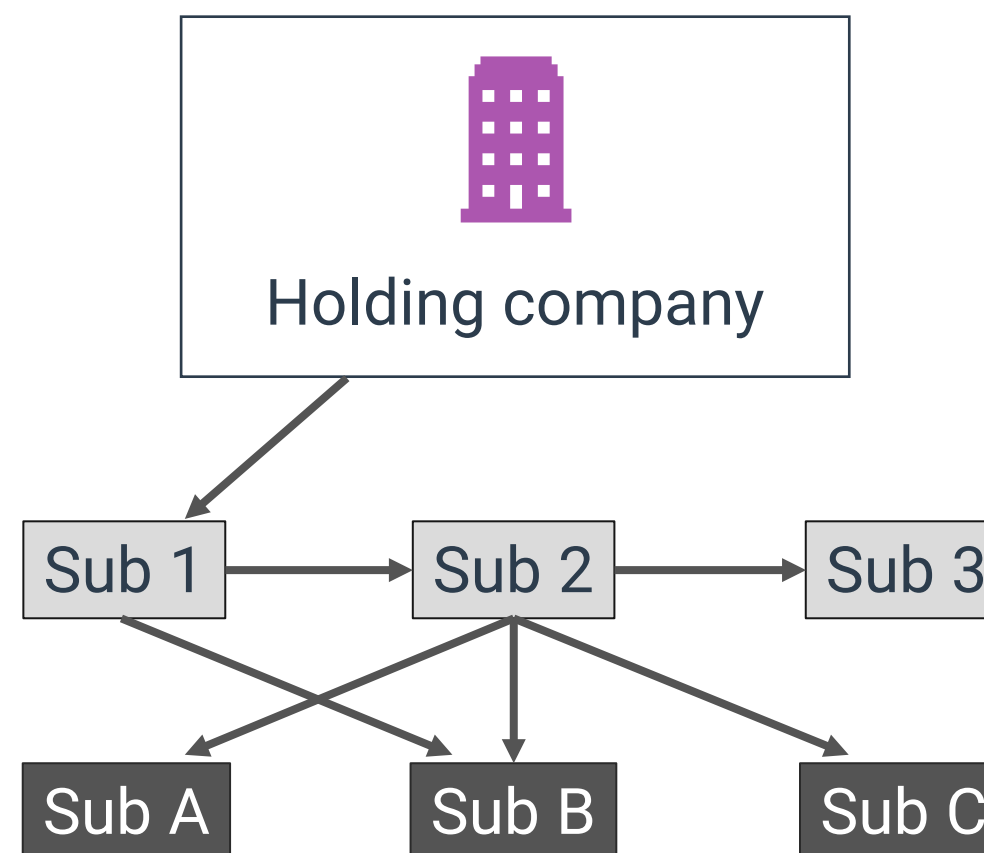
SOURCING FUNDS

VARIOUS BANKING CONFIGURATIONS

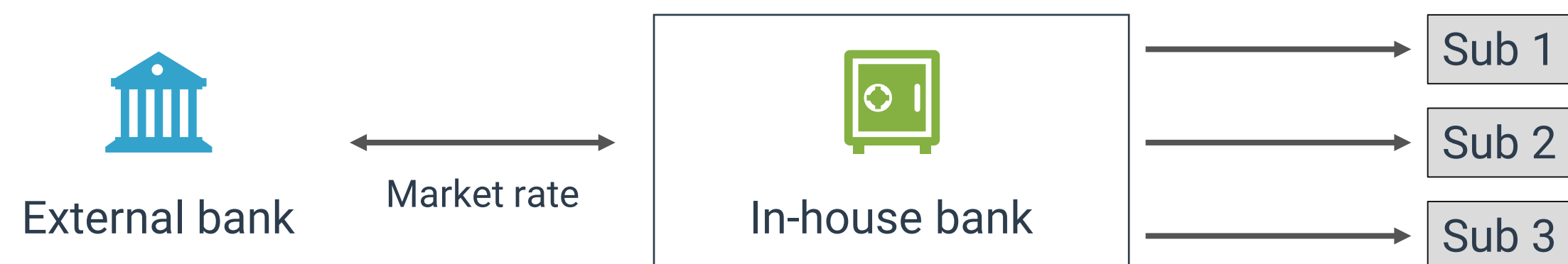
Bilateral



Many bilaterals

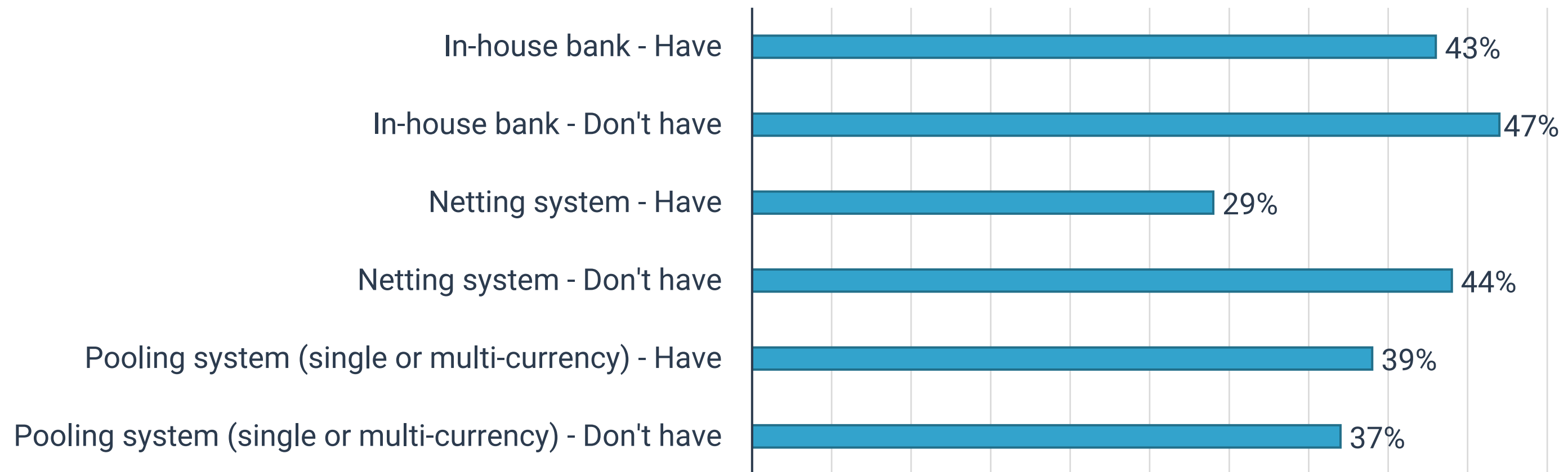


In-house bank



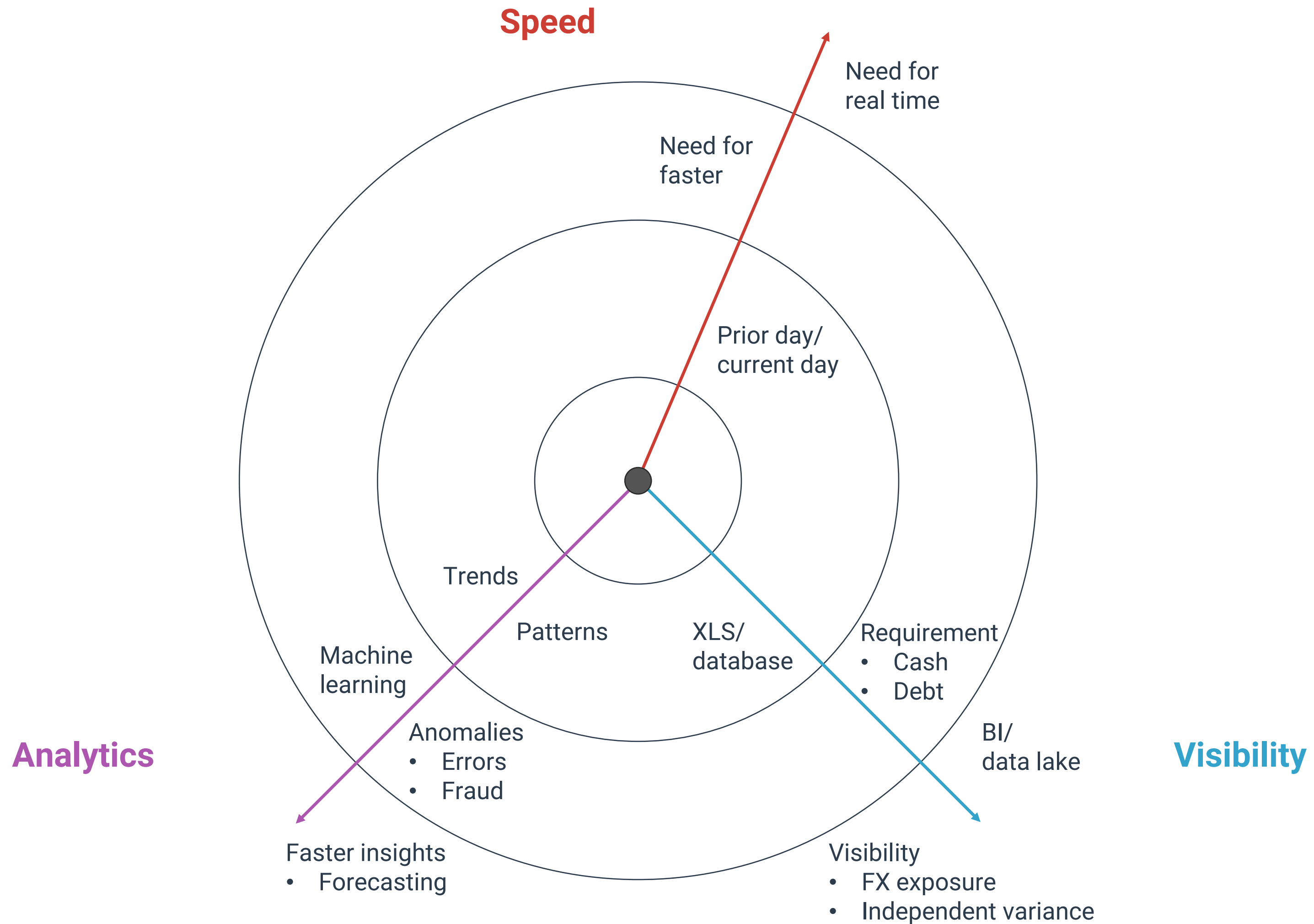
POLL QUESTION

Poll 2 - We have or don't have the following: (all that apply)



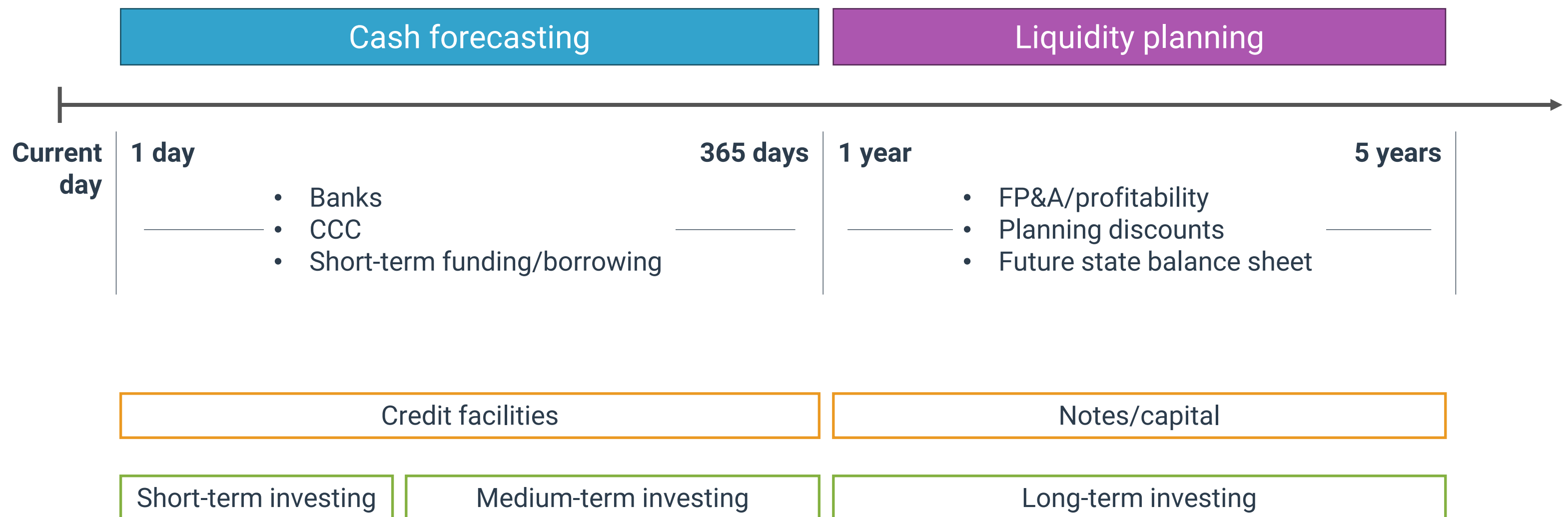
DATA-DRIVEN TREASURY

PROGRESS ACROSS VARYING AREAS



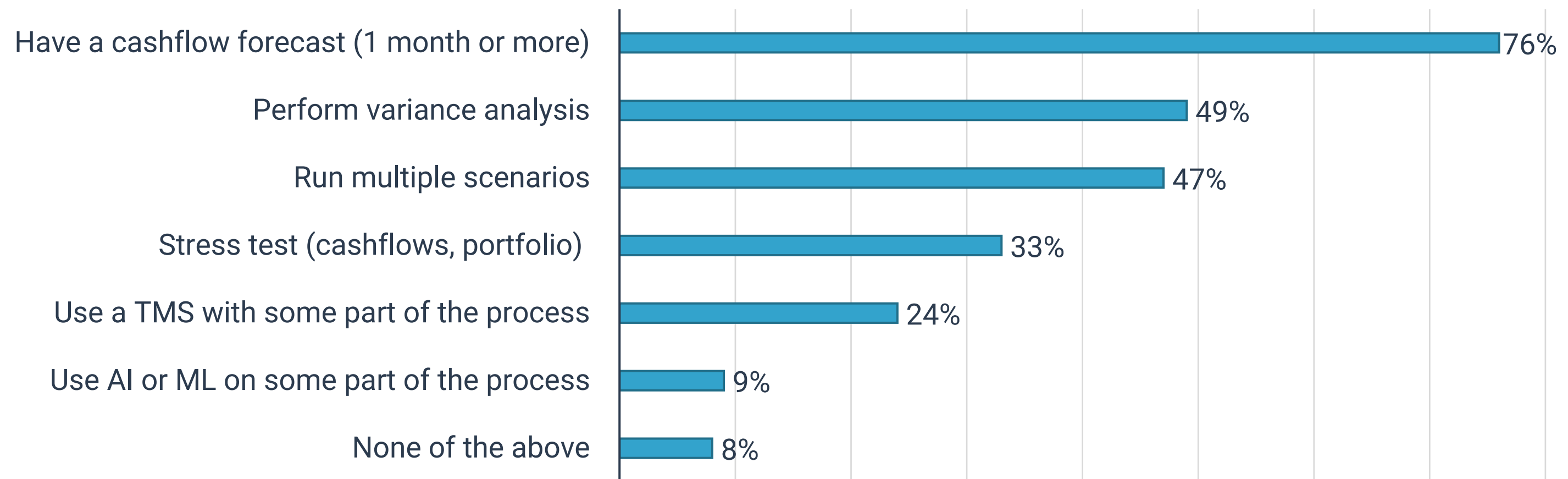
CASH FORECASTING & LIQUIDITY

DISTINCTIONS BETWEEN THE TWO



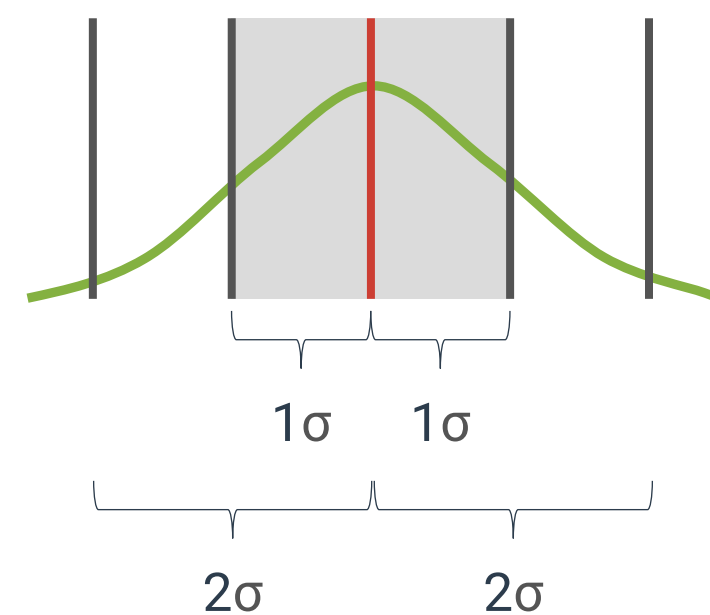
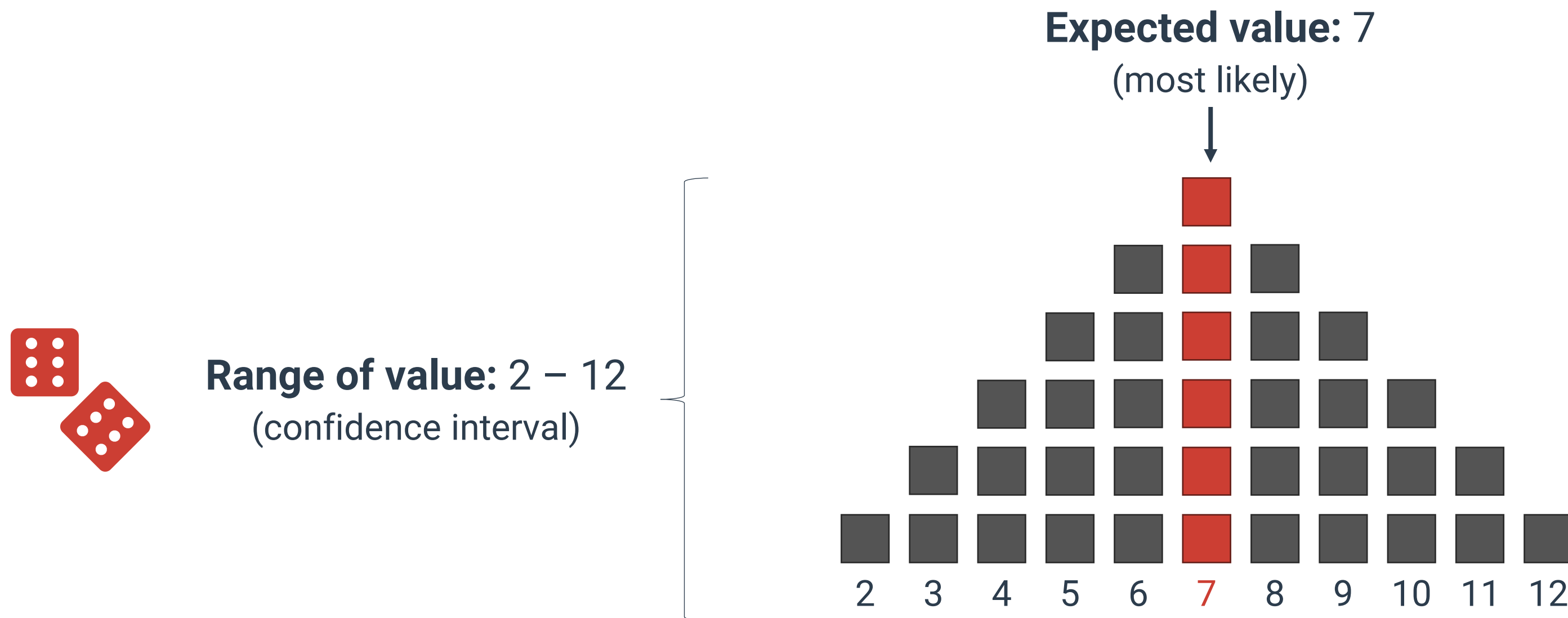
POLL QUESTION

Poll 3 - For forecasting and modeling, we: (all that apply)



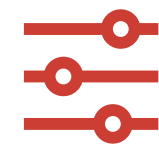
FORECASTING CONCEPTS

RANGE OF VALUE VS. EXPECTED VALUE



MORE ACCURATE FORECASTING

THROUGH STRESS TESTS & SCENARIO ANALYSIS



Stress test

Variable	Value
Interest rate	+300 bp
FX rate	Shift 1.5 to 1.2 in 6 months

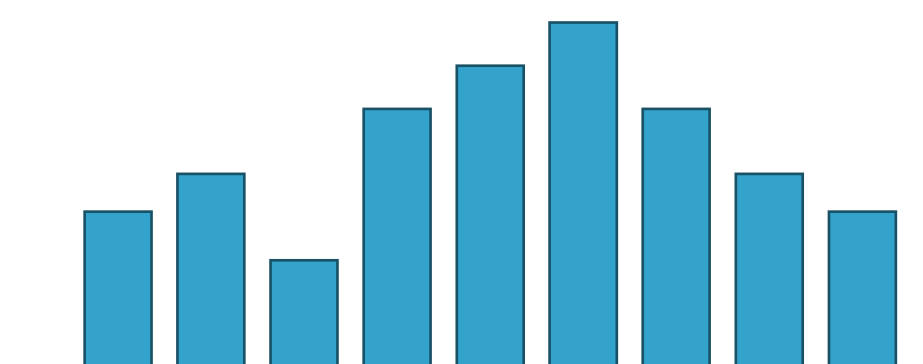
To see the potential impact of a negative event



Scenario analysis

Variable	Value
Interest rate	+25 bp - +150 bp
FX 1	+10% - +30%
FX 2	-10% - +20%
Cost of (Y)	+/- 22%

Range of impact on cash depending on the scenario



USE CASES

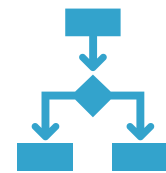
APPLICATION



Goal

Determine max cash drain on Event 1 and Event 2 hypotheticals

Identify range of cash needs or volatility and relative likelihood



Model

Stress test

Scenario analysis



Reaction examples

- Buy interest rate swaps for \$XX notional over X months to bring exposures within tolerance
- Note max loss of cash falls within margin of comfort and hold
- Understand cash cover needs, met by credit facility
- Reduce FX swaps due to range within risk appetite
- Exit particular business with low margin and high negative cash flow potential

FINAL THOUGHTS

HOW TO PROCEED



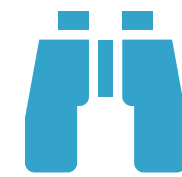
IN-HOUSE CASH

- Good cash concentration principles
- Use internal cash before borrowing
- Optimized borrowing



RESPONSE PLAN

- Maintain a list of action items for various scenarios
- Review this information and update
- Scenarios – think through what can happen and the level of impact



VISIBILITY

- Visibility to cash flows
- View to various situations and how they may impact the business



PREPARATION

- Stress-testing isn't just something to talk about
- Don't ignore low-likelihood items with great impact
- Use partners and technology to help

LET'S CONNECT

DON'T LET THE LEARNING END HERE...
CONTACT US WITH ANY FUTURE QUESTIONS

Thank you for your interest in this presentation and for allowing us to support you in your professional development. Strategic Treasurer and our partners believe in the value of continued education and are committed to providing quality resources that keep you well informed.



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