

TREASURY PERSPECTIVES SURVEY RESULTS



TOM GREGORY

Senior Vice-President of Commercial &
Government Product Sales, TD Bank

ADRIENNE TERPAK

Vice-President, Commercial Segment Manager,
TD Bank

CRAIG JEFFERY

Managing Partner, Strategic Treasurer



WHAT

Evaluating survey results and
discussing implications for
organizations in 2022 and beyond



WHEN

Thursday, January 20, 2022
2:00 - 3:00 PM EST



WHERE

Live Online Presentation



Certified Corporate
Financial Planning &
Analysis Professional



This presentation is provided by Strategic Treasurer & TD Bank

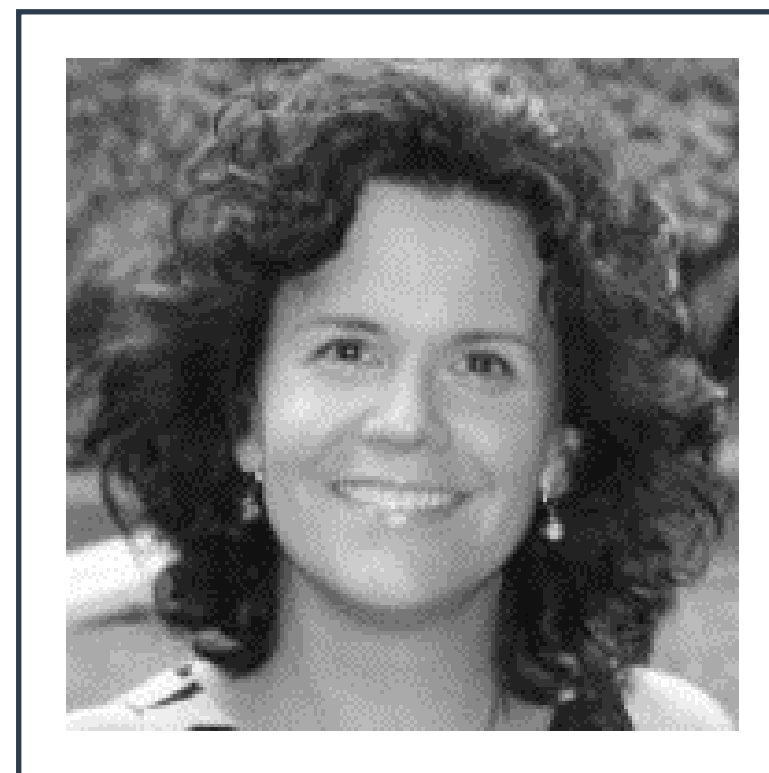
ABOUT THE SPEAKERS

GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



TOM GREGORY

Mr. Gregory is the Head of Commercial & Government Product Sales at TD Bank, America's Most Convenient Bank®. TD Bank provides working capital management and payment processing solutions to small business, commercial, government, corporate, and institutional enterprises. Prior to joining TD, Gregory was Director of Decision Support Consulting Services at Automated Financial Systems of Exton, PA. There, he worked with several of the top 50 U.S. banks to increase productivity, improve MIS, and enhance effectiveness in the Cash Management and Commercial Lending lines of business. Gregory did his undergraduate and graduate work at Drexel University in Philadelphia. Mr. Gregory resides in Swarthmore, Pennsylvania.



ADRIENNE TERPAK

Adrienne is a Commercial Segment Manager in Corporate Products & Services who influences customer experience design and supports the growth strategy for Middle Market and Specialty Banking. Prior to joining TD, she held senior management positions in corporate treasury at Prudential and Sharp Electronics. Adrienne is a Certified Treasury Professional (CTP) and she earned an Artificial Intelligence certificate at MIT Sloan. She holds a Finance MBA from Seton Hall University and an undergrad from Schreyer Honors College at Penn State. Adrienne is also a Rotarian who has served as Board Member, Secretary, and President of the Bergen Highlands/Ramsey Rotary Club.



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.

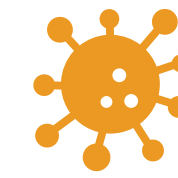
His 30+ years of financial and treasury experience as a practitioner and as a consultant have uniquely qualified him to help organizations craft realistic goals and achieve significant benefits quickly.

TOPICS OF DISCUSSION

KEY AREAS OF FOCUS &
ANALYSIS



ABOUT THE SURVEY
SURVEY & FIRMOGRAPHICS



COVID IMPACT
AND OUTLOOK



TECH USE
AND RESPONSES TO NEW
TECH



LIQUIDITY
AND BORROWING



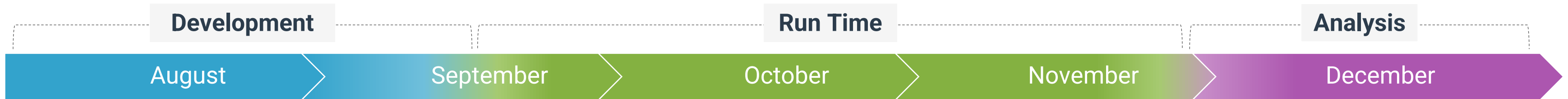
PAYMENT SECURITY
TRAINING



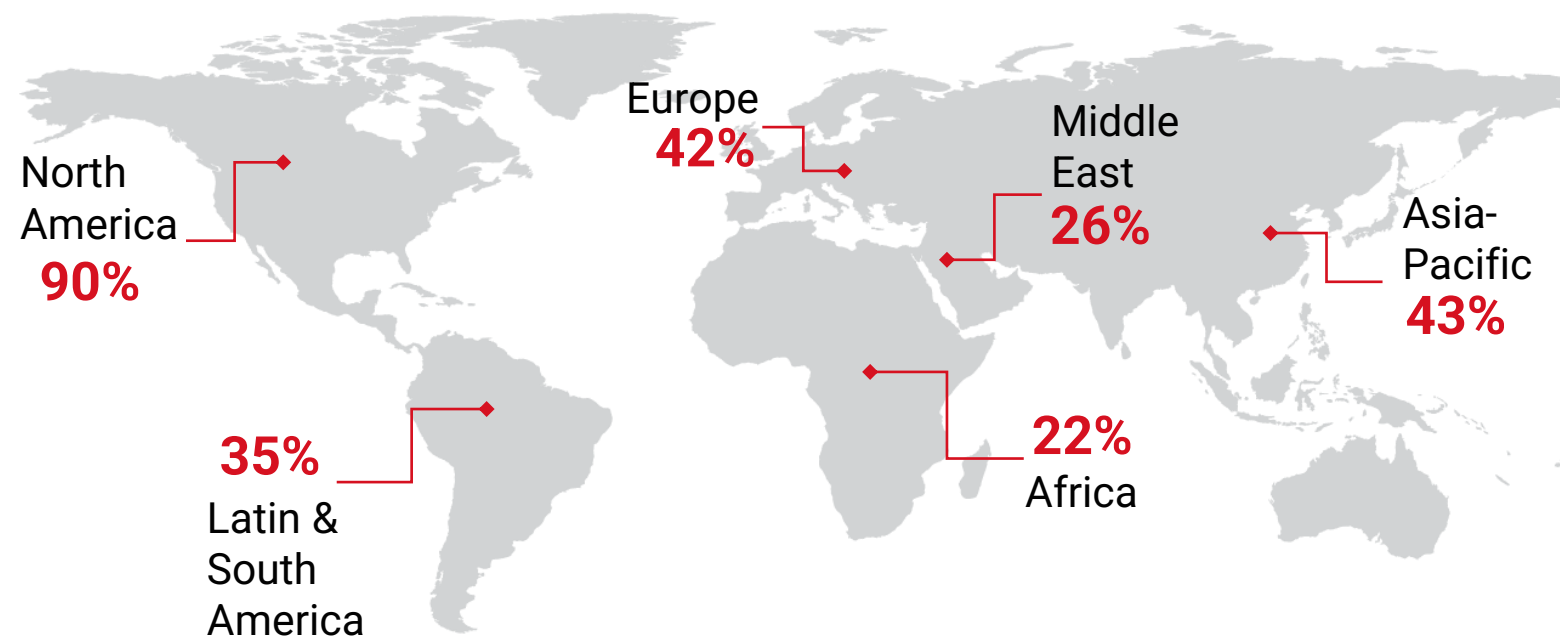
KEY TAKEAWAYS
FROM THE RESEARCH

SURVEY QUICK STATS

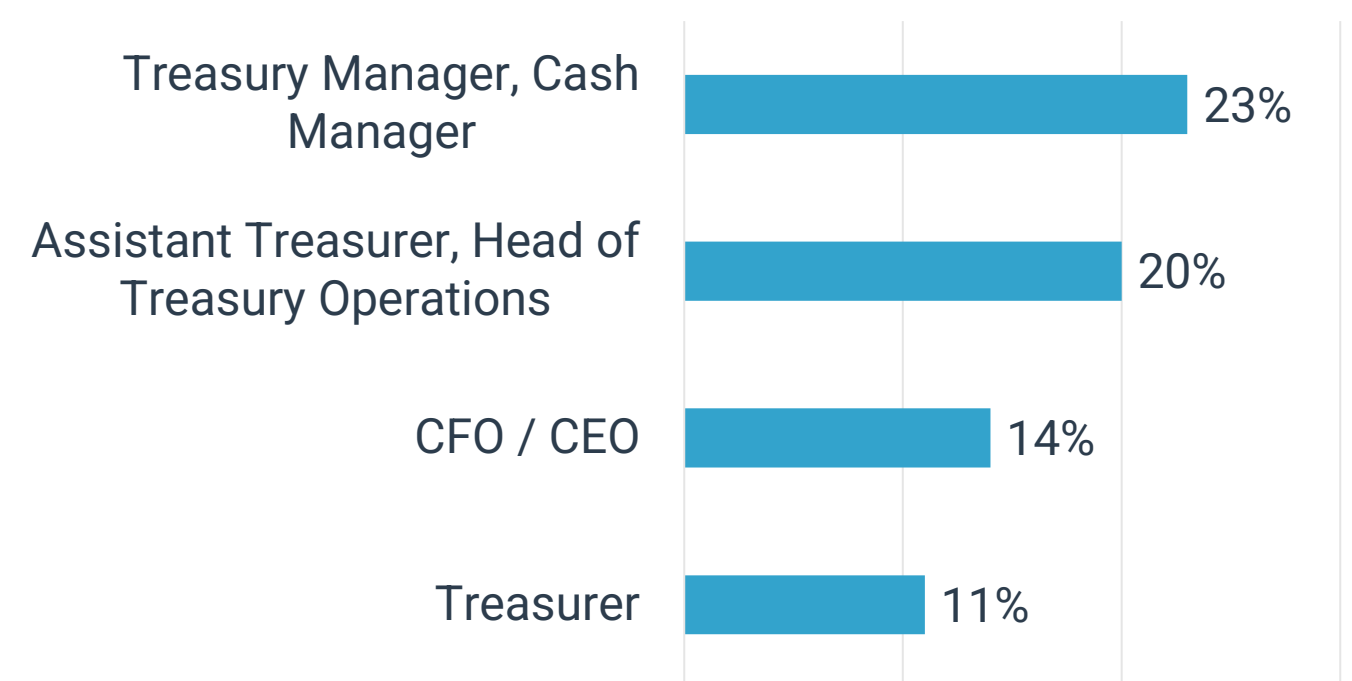
2021 Treasury Perspectives



Regions of Operations



Top Respondent Roles

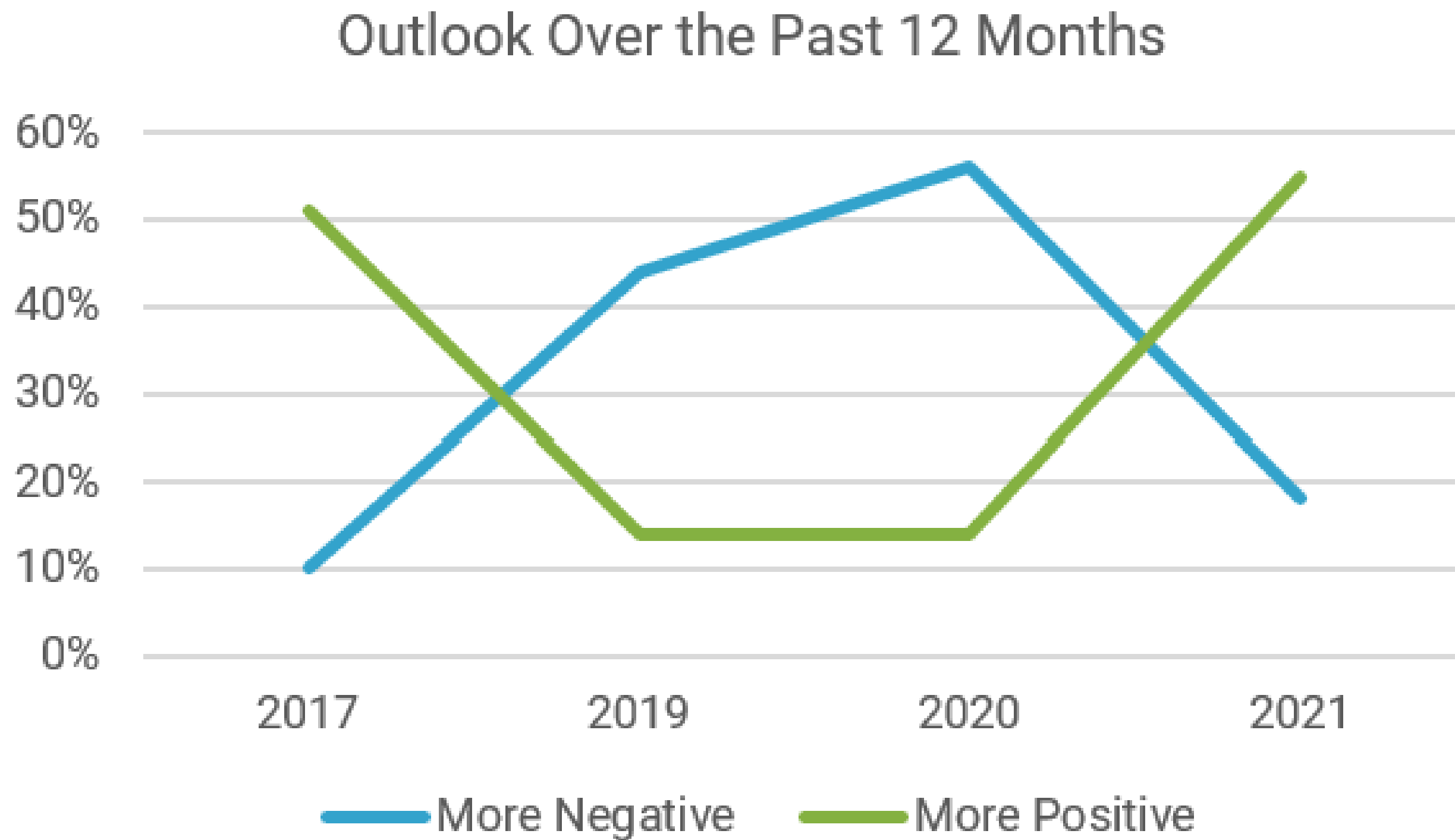


COVID IMPACTS

PERMANENT CORPORATE CHANGES

<u>AP</u>	<u>AR</u>	<u>TREASURY</u>
<p>Increased adoption of Electronic Funds Transfer (EFT) and reduced use of checks</p> <p>48%</p>	<p>Enduring changes to work-from-home policies</p> <p>48%</p>	<p>56%</p>
<p>43%</p>	<p>Security and control procedures</p> <p>40%</p>	<p>38%</p>
<p>42%</p>	<p>Willingness to accept additional payment types (e.g., Purchasing Card (P-card), ACH)</p> <p>31%</p> <p>Enhanced auto-posting of cash</p> <p>20%</p>	<p>Cash flow forecasting</p> <p>38%</p>
<p>6%</p>	<p>Changes to banking provider(s)</p> <p>6%</p>	<p>4%</p>
<p>13%</p>	<p>Change or planned change of system/platform</p> <p>11%</p>	<p>16%</p>

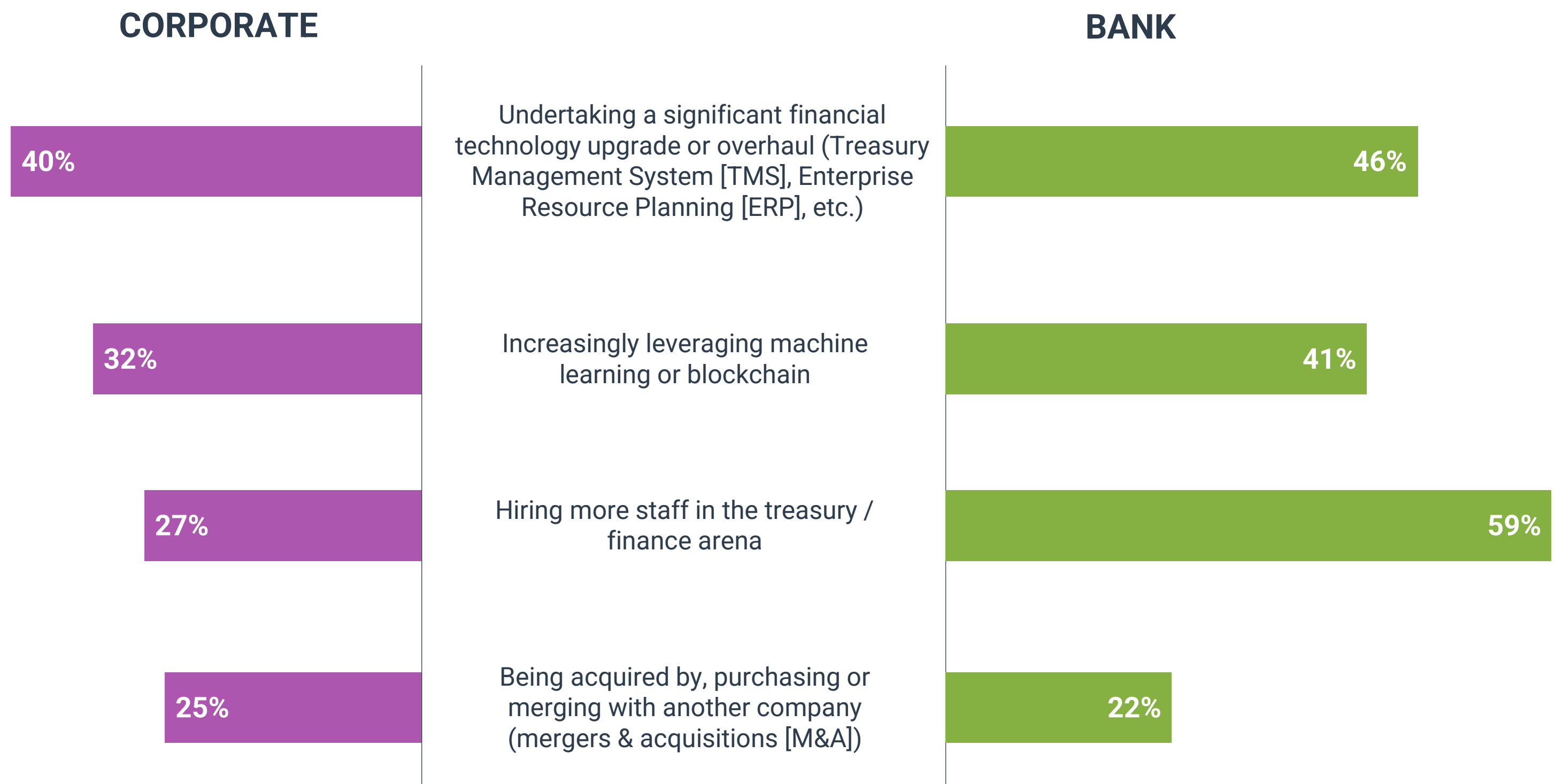
ORGANIZATIONAL OUTLOOK



TWO-YEAR OUTLOOK

OPPORTUNITIES AND THREATS

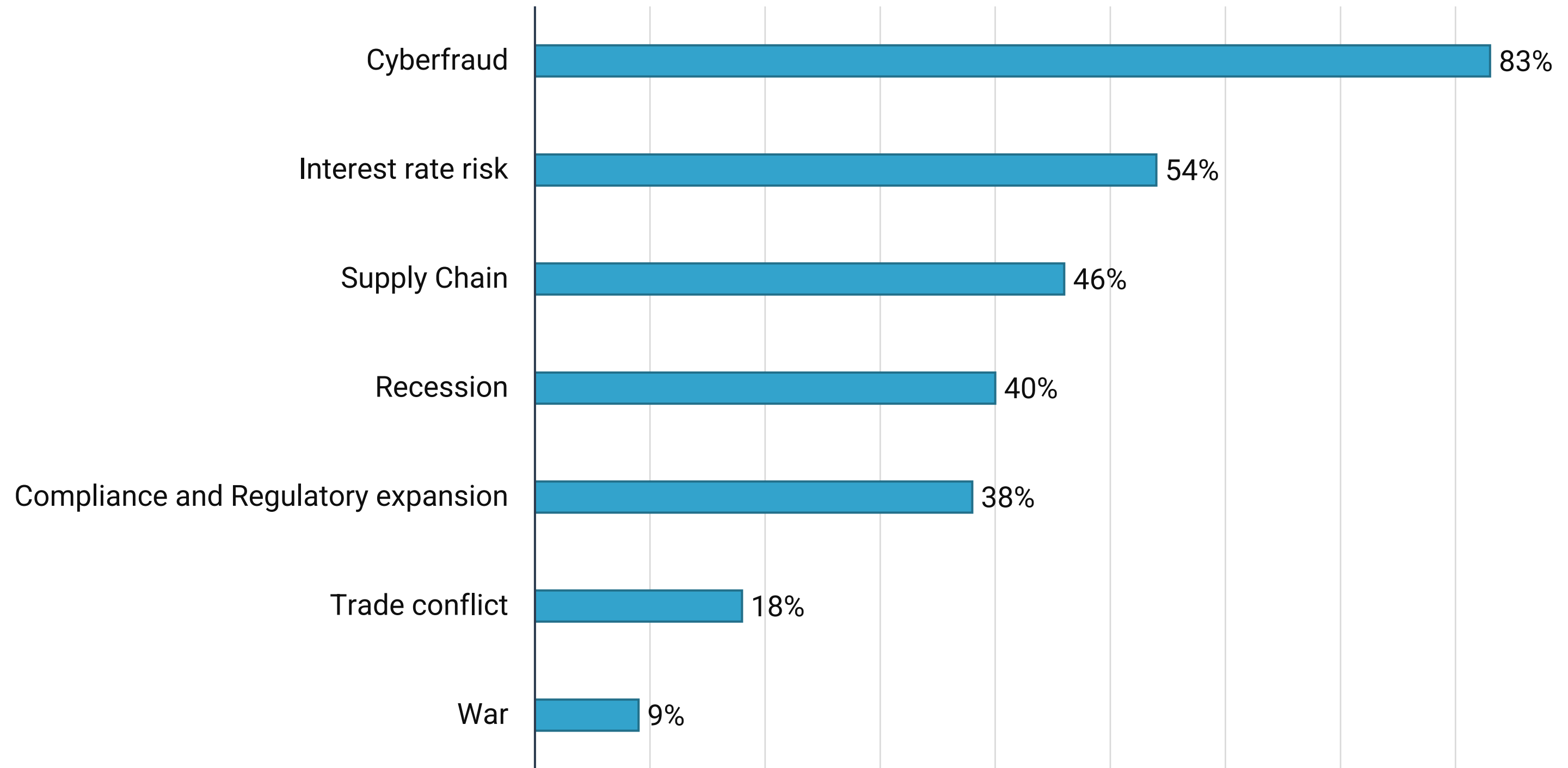
Please indicate your company's expected activity or interest in the following areas over the course of the next two (2) years:



* Not all responses displayed.

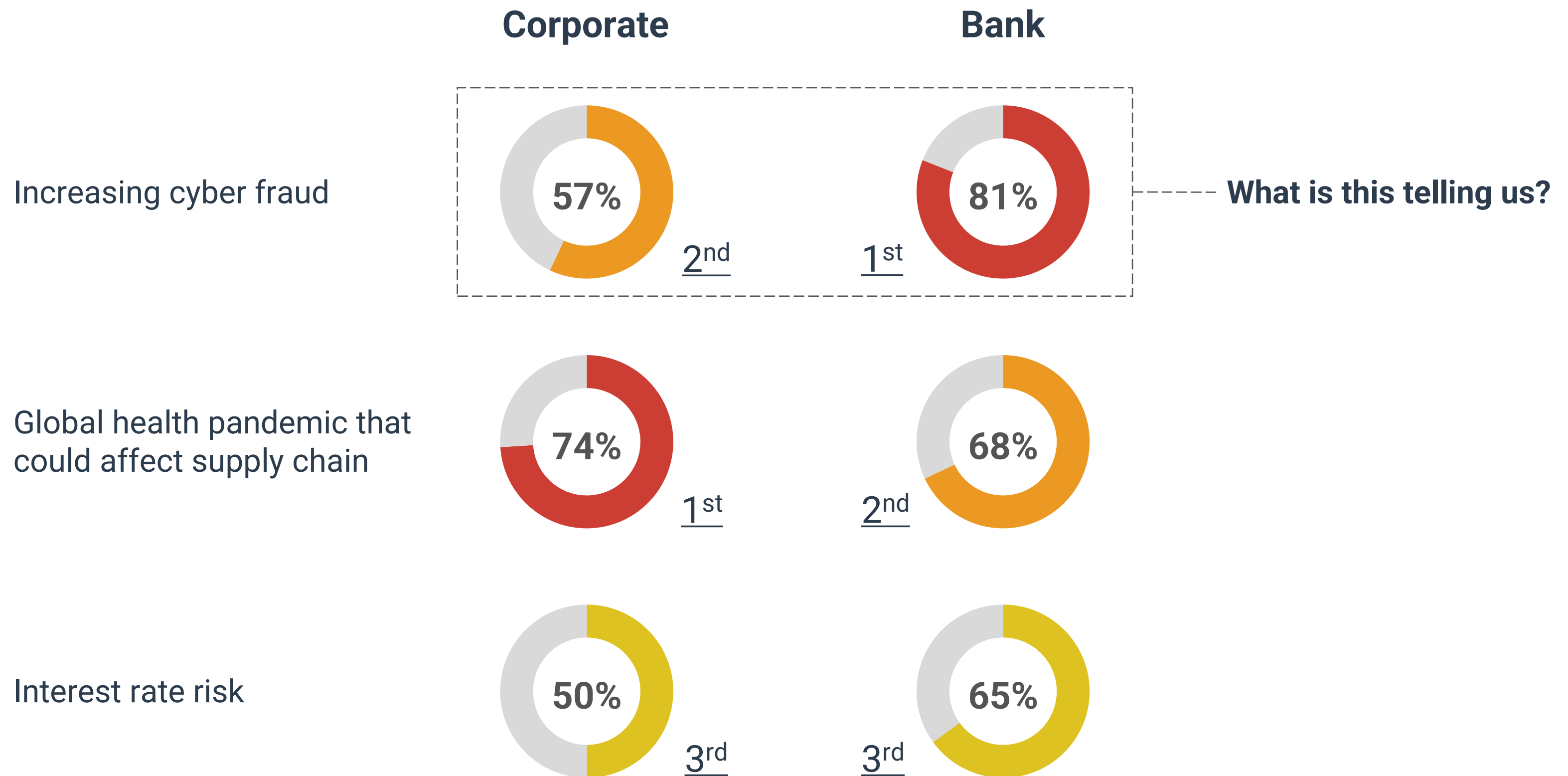
POLL QUESTION

The following are significant concerns for us in 2022:



TOP THREE CONCERNS

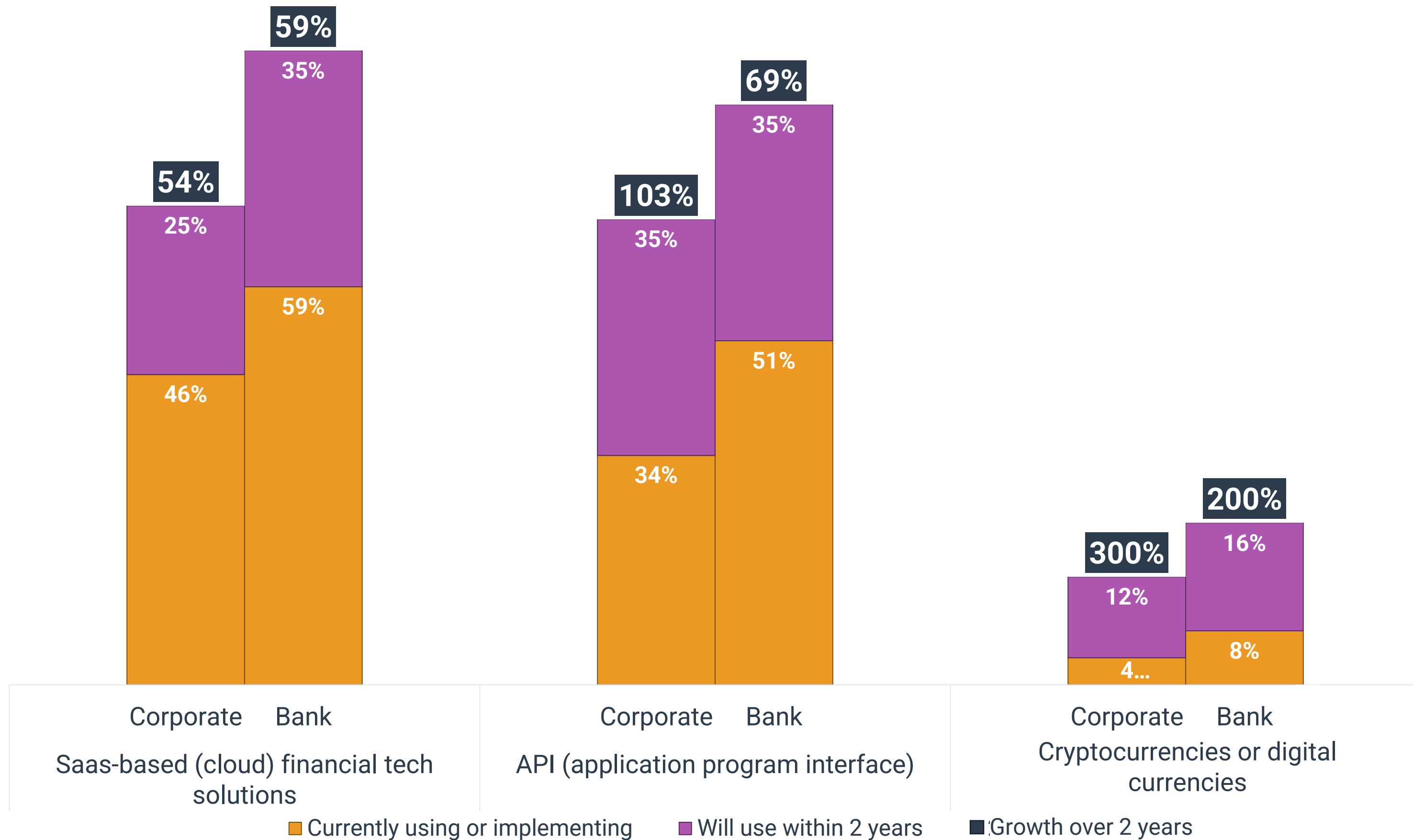
GLOBAL ECONOMIC AND OPERATIONAL RISKS



TECH USE

Corporate: Which of the following technologies are you using / interested in using in treasury?

Bank: Overall, which of the following technologies are the majority of your clients using / interested in using for treasury?

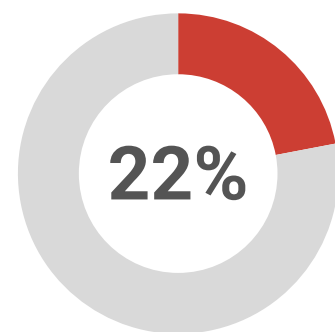


TECH-RELATED VIEW

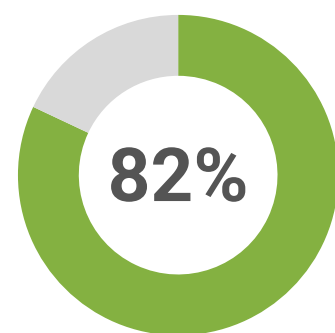
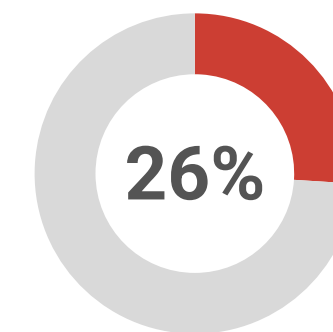
Strongly agrees/agrees with each of the following statements.

Corporate

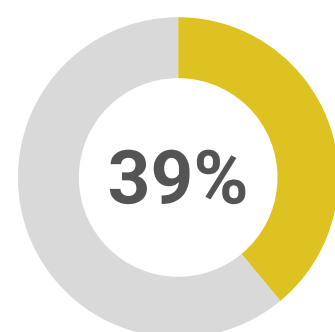
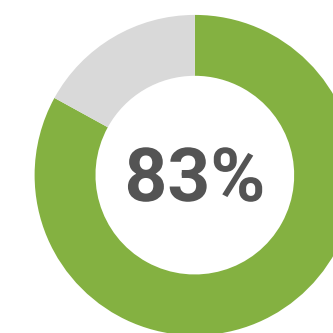
Bank



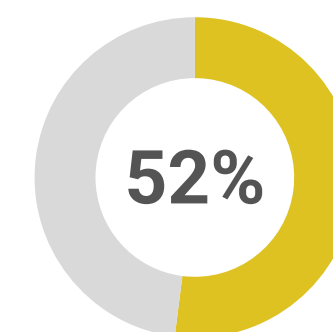
**I am nervous about innovations in Artificial Intelligence /
Machine Learning / Robotic Process Automation.**



I am excited about the development of new technologies.



**I am concerned our staff is not upskilling with new
technology quickly enough.**



PREPARING FOR DISRUPTION

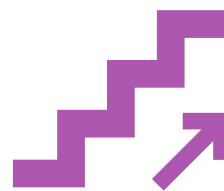
CORPORATE

How are you preparing for disruption in the treasury management industry?



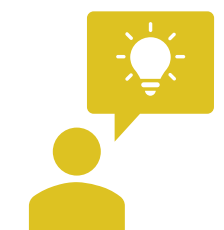
Keeping informed of developments and waiting to see where the industry heads

50%



Upskilling through investment in employee training

28%



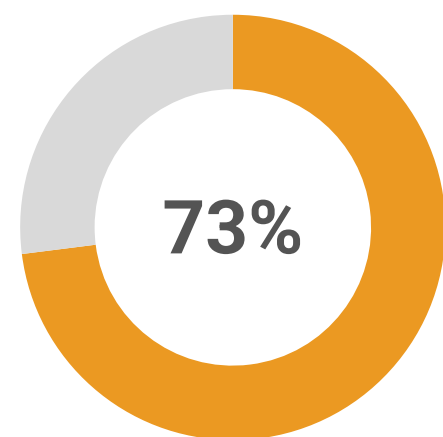
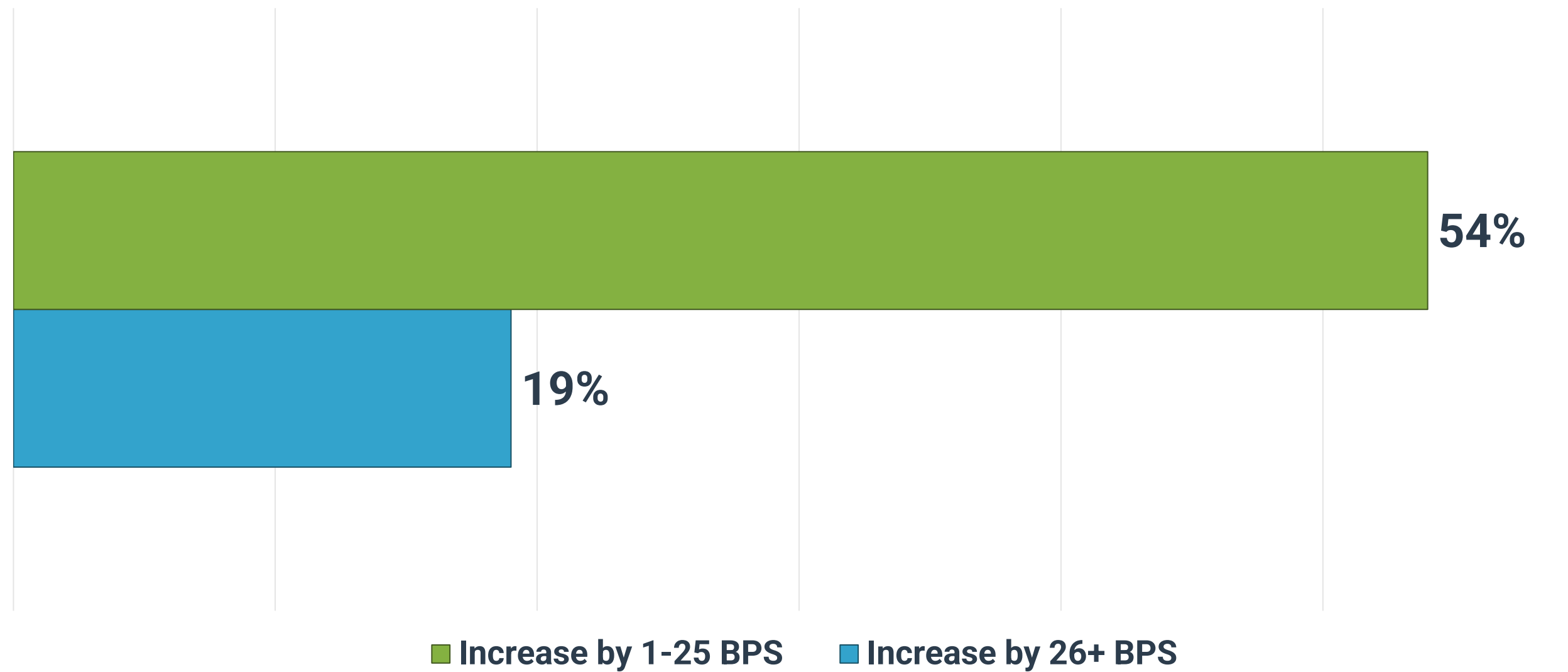
Hiring more tech-savvy employees to keep up with trends and emerging developments

25%

BORROWING

CORPORATE INTEREST RATE EXPECTATION FOR 2022

In the upcoming year, we expect the U.S. Federal Reserve interest rates to:



Almost 3/4ths of corporates expect the Fed to raise interest rates in 2022.

BORROWING

IMPACT OF FED RATE CHANGE OVER NEXT 12 MONTHS

CORPORATE VIEW OF THEMSELVES

Fed rate changes will impact how much **we** _____ over the next 12 months.



Borrow

47%



Invest

44%

Borrowing will be impacted by:

- Increasing the diversity of our debt/capital structure 37%
- Extending the duration of our borrowing 31%
- Renewing credit facilities earlier 28%
- Renewing credit facilities earlier (net) 13%
- Leveraging our financial supply chain more vigorously (net) 23%

BANK VIEW OF CORPORATE

Fed rate changes will impact how much **our clients** _____ over the next 12 months.



Borrow

84%



Invest

81%

The majority of **our clients'** borrowing activity will be impacted by:

- Increasing the diversity of their debt/capital structure 53%
- Extending the duration of their borrowing 38%
- Renewing credit facilities earlier 34%
- Renewing credit facilities earlier (net) 15%
- Leveraging their financial supply chain more vigorously (net) 47%

REVERSION TO THE MEAN

LOAN BALANCE OF POWER

We expect loans over the next year to favor:

		Lenders	=	Borrowers	Favors
Corporate	Now	30%	35%	34%	=
	Last year	23%	30%	47%	
Bank	Now	20%	46%	35%	Borrowers
	Last year	11%	32%	57%	

∴ Corporates see a balance of power, banks still see borrower holding more control.

We expect _____ banks to be interested in lending to us than at our last credit negotiation / renegotiation.

		Less	Same	More	Implication
Corporate	Now	8%	49%	43%	++
	Last year	13%	58%	30%	

∴ Greater expectation of available credit.

We expect loan covenants and restrictions will become:

		More restrictive	Same	Less restrictive	Implication
Corporate	Now	28%	57%	15%	++
	Last year	45%	43%	12%	
Bank	Now	26%	69%	6%	--
	Last year	87%	11%	3%	

∴ More restrictive loan covenants.

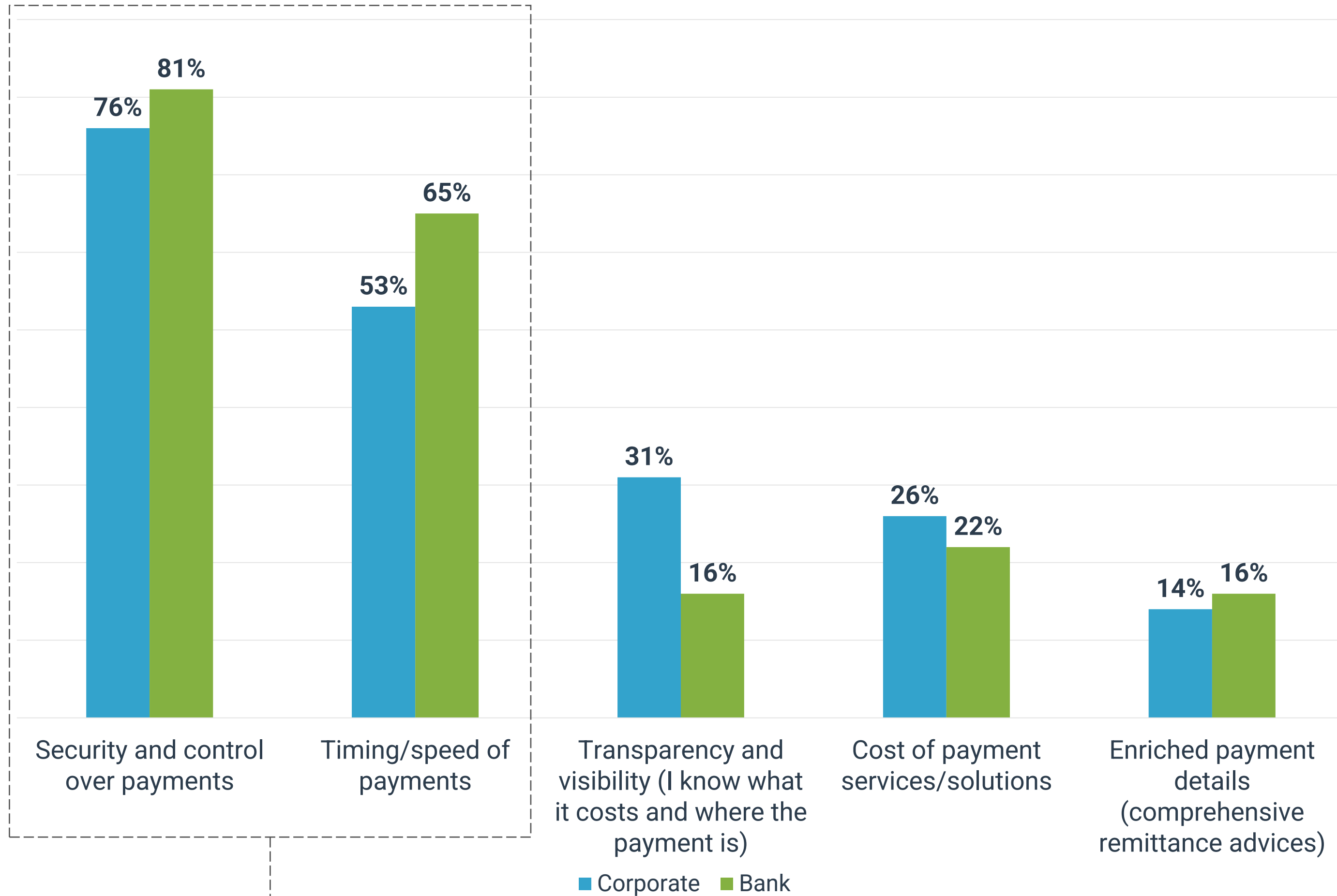
POLL QUESTION

We have the following in place for security training:



PAYMENT SECURITY

TOP TWO MOST IMPORTANT PAYMENT FEATURES

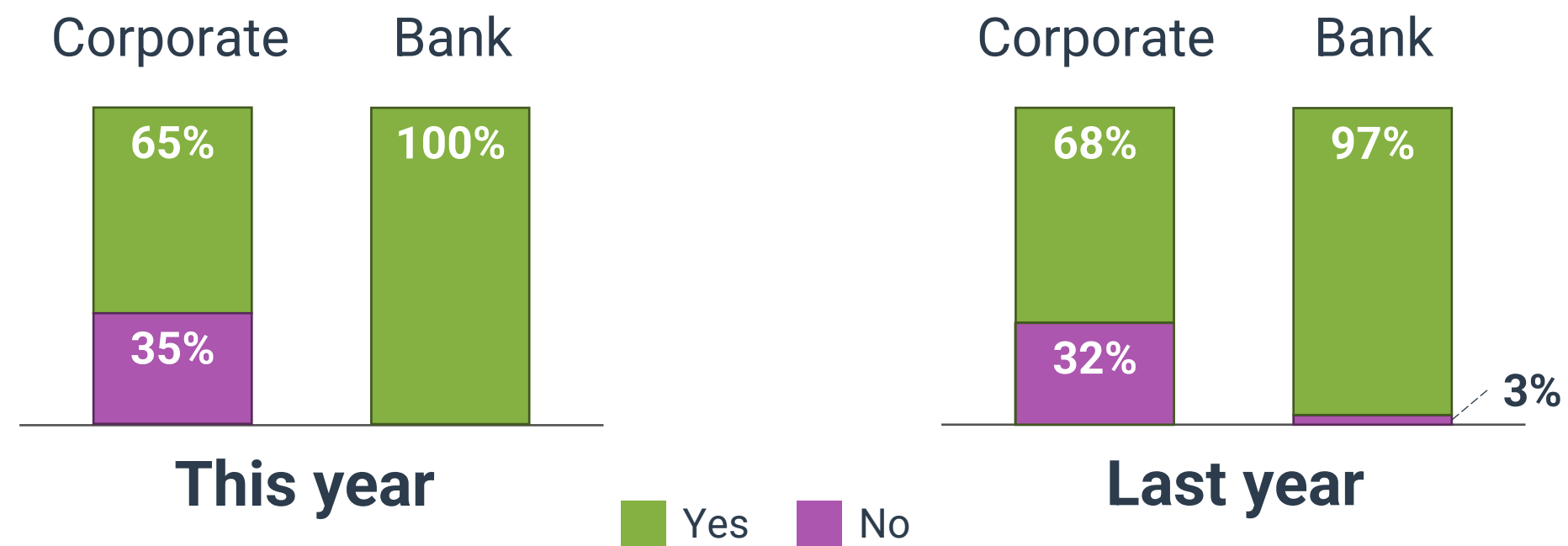


What is this telling us?

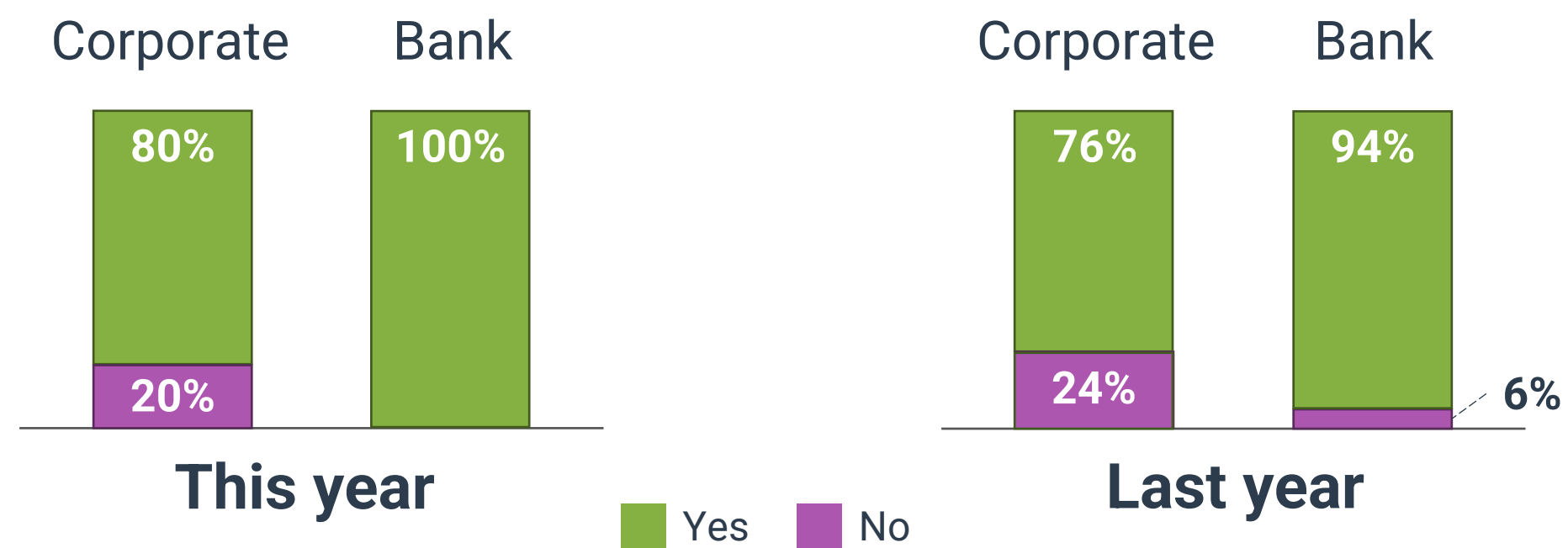
■ Corporate ■ Bank

PAYMENT SECURITY

Do you require employees involved in payments to take security training each year?



Does this training have a reported testing/knowledge assessment component?

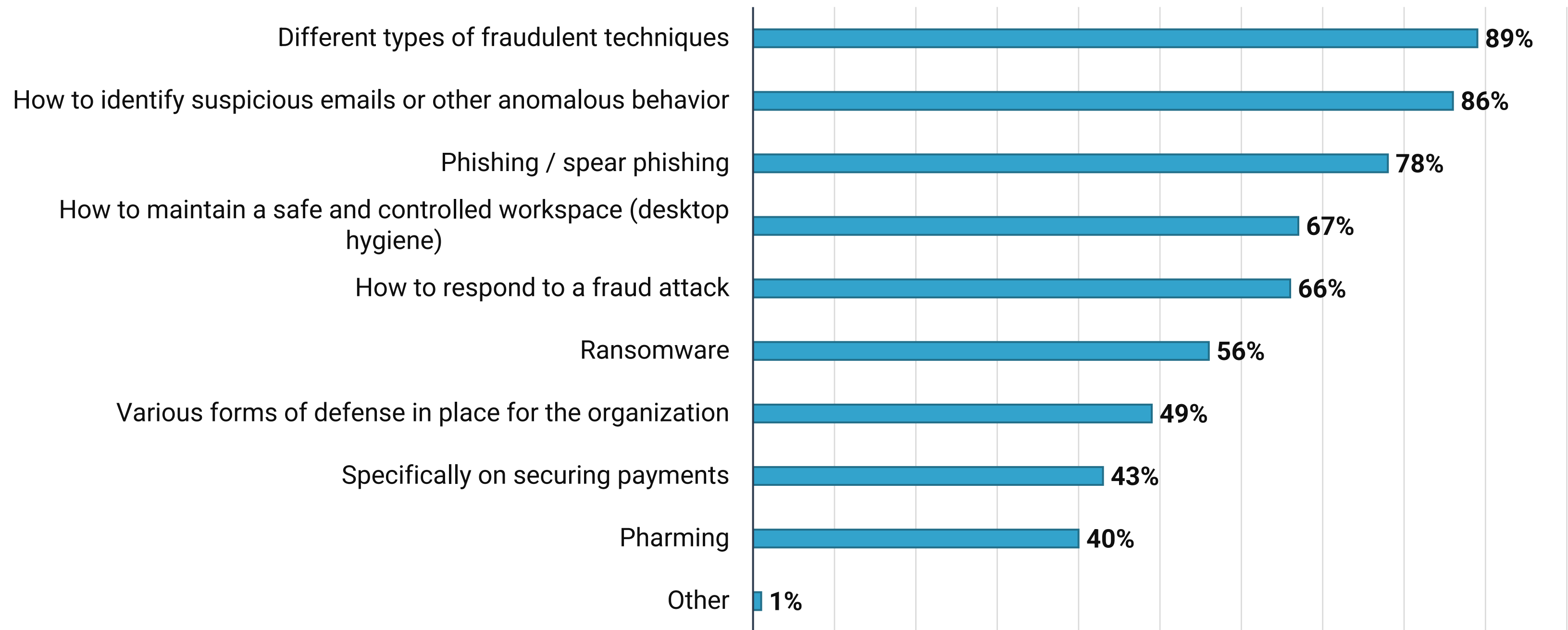


47% of corporates and 57% of banks have increased the frequency of employee fraud training in the last year.

PAYMENT SECURITY

CORPORATE

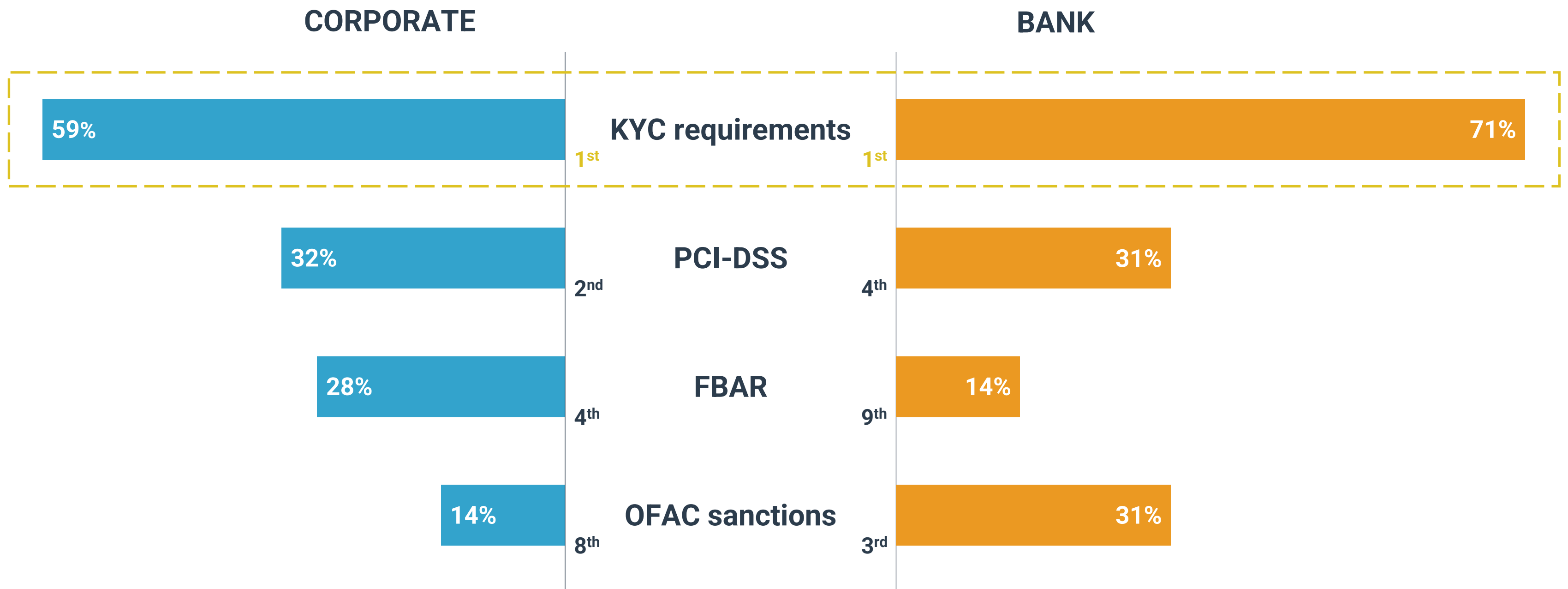
Our training includes content on:



REGULATIONS

SIGNIFICANT IMPACT

Select the three regulations or security/compliance components that you feel will have the most significant impact on your (corporate) finance/treasury operations / (bank) operations over the next 1-3 years:



66% of corporates and 72% of banks expect an increase in regulations over the next 1-2 years.

FORECASTING IN CONTEXT

CORPORATE

Considering all of your operations, what three (3) areas do you spend the most of your time working on?



46% of respondents have responsibilities they don't have time to perform.

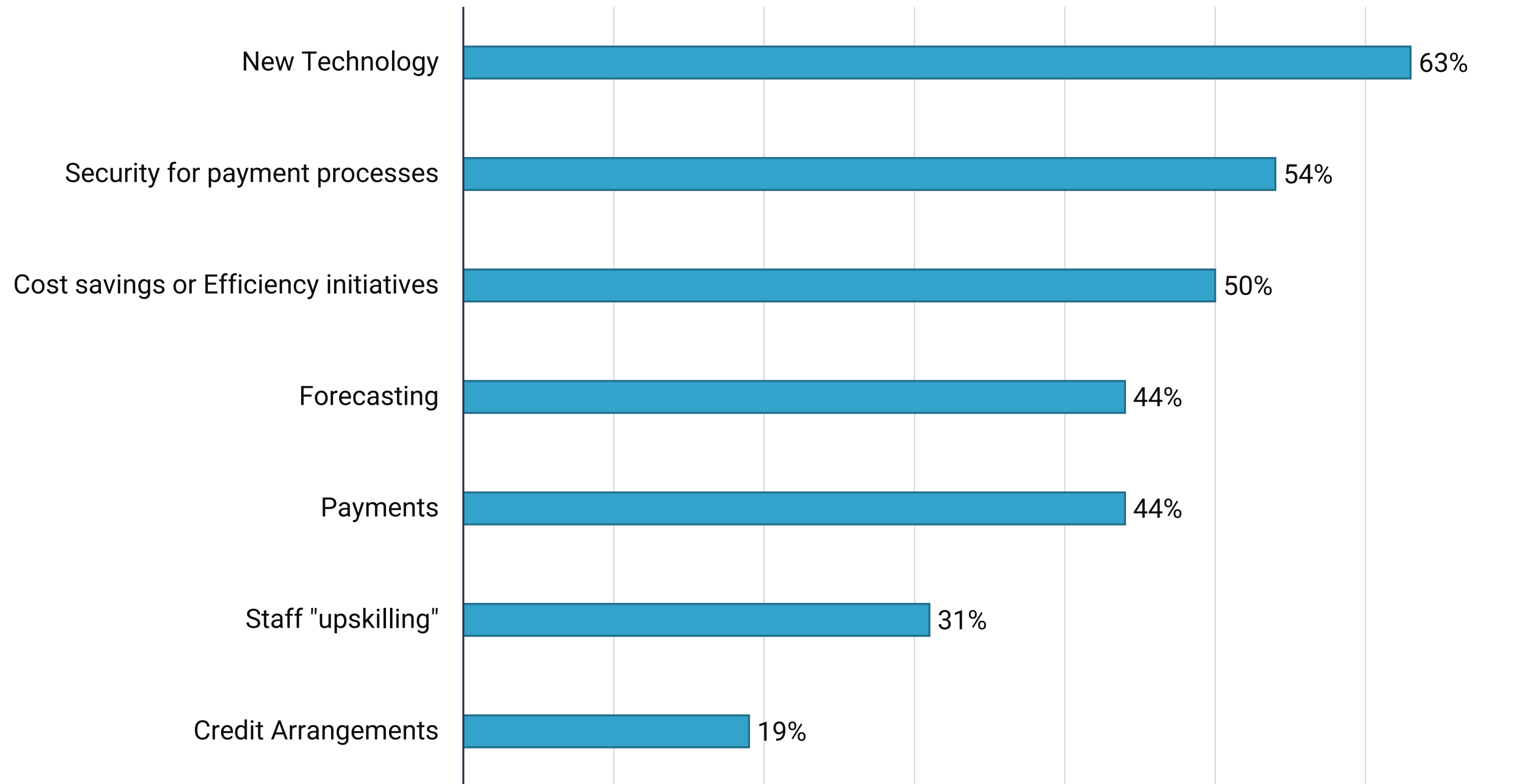
What are these responsibilities?



#1

POLL QUESTION

We are focusing on the following in 2022:



TAKEAWAYS

IDEAS AND POINTS TO BRING BACK TO THE OFFICE



OUTLOOK

- Return to pre-Covid
- Worst is behind us
- Sentiment is optimistic



WORKING CAPITAL

- Use tools
- Free up time
- More forecasting



SECURITY

- Good progress
- Not done. Don't let up
- Get specialized training



DISRUPTION

- Real concerns
- Huge opportunity
- People-focused

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.



STRATEGIC TREASURER

Craig A. Jeffery,
Managing Partner

✉ craig@strategictreasurer.com

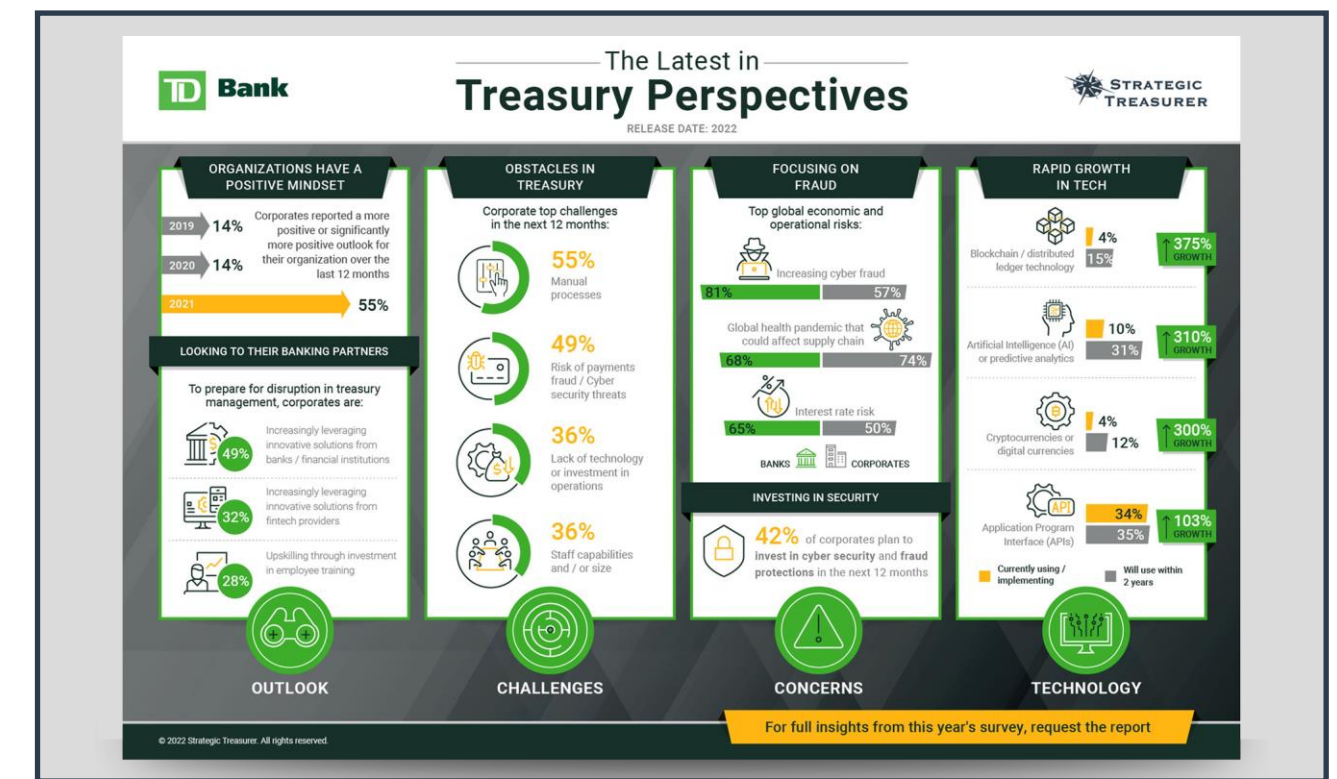
☎ +1 678.466.2222



TD Bank

Adrienne Terpak
Vice-President, Commercial Segment
Manager, TD Bank

✉ Adrienne.Terpak@td.com



Download the infographic & pre-register for the report: <https://bit.ly/3qEPGkt>

