

Trends in Treasury 2017

- embracing the new normal -

The Treasury universe constantly changes while treasurers aim to have a more advisory and strategic role in the company

Areas of Impact



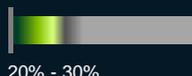
1

Increased automation due to Robotic Process Automation and Automatic Learning technology. It is already feasible to implement these tools in mid-cap companies looking to efficiently and automatically manage their less value-added processes, driving treasury towards a more strategic role.

RPA overall cost compared with manual processes:



RPA yearly cost compared with onshore FTE:



Execution time:



Accuracy:



An increase in the usage of analytical tools positively affects:

- Cash flow forecasting accuracy
- Treasury Performance Indicator reporting
- Predictive analytics used to examine market trends & forecasting activities

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Treasuries, in coordination with tax departments, will have an advisory role in implementing and complying with new regulations.

Corporates will need to rethink company structure, treasury processes and (intercompany) funding.

Increase in RegTech enables corporates to comply with old and new regulations more efficiently.

Effects from KYC: 27% of corporates state it currently takes over 3 months for a bank to on-board them.

Banks yearly spend \$60 million on average to meet KYC compliance obligations.

Effects from BEPS: An estimated 86% of corporates are increasing their time spent on BEPS-related compliance.

66% of corporates are already proactively taking steps to respond to BEPS.

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Policies

Focus on Risk Management: Early identification, measurement and execution

Volatility is here to stay and is not only related to financial crises or emerging market exposures.

In response to increasing risk, cash holdings climbed 5% year-over-year. It is estimated that companies, together with private equity firms, are globally sitting on aggregate cash reserves around \$7 trillion.

High volatility in FX markets:



EUR/USD 1,157 to 1,036

EUR/GBP 0,732 to 0,905

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PSD2 will open the cash management market to suppliers outside the banking landscape. This will impact bank cash management market share and strategy.

Instant payments and PSD2 will drive banks to continue to acquire Fintechs to increase innovation and stay competitive.

Bank completed acquisitions of Fintechs Q3 2015 - Q3 2016



The banking landscape is changing as well as corporate funding portfolios.

Corporates will continue to have easier and cheaper access to investment-grade loans and to a wide variety of sub-investment grade alternatives.

PSD2

Instant payments (e.g., SEPA)

Less banking coverage

Treasury thrusts to a more strategic role

Strategical Role