Treasury & Cash Management

TCM GUIDE 2008

Global Finance

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TREASURY & CASH MANAGEMENT GUIDE 2008

The old adage, "Cash is king," has rarely been more true. As banks reassess their credit relationships with corporate customers, with a view to maintaining those relationships that are more profitable and less risky, corporates, particularly those in tiers 2 and 3, will find it increasingly difficult to source lines of credit needed for expansion and investment.

At the same time, liquidity management techniques that enable treasurers to make rapid and accurate assessments of available cash and to better control and optimize yields on idle cash balances are more important than ever before.

We look at how treasurers should invest their money in such difficult times. Should they focus on safer investments, investment yields or short-term cash positions? Should they also re-evaluate their existing liquidity management structures to ensure they are minimizing idle cash balances?

The credit crunch's impact, however, goes beyond pure financials. It is also affecting relationships between banks and their corporate clients as those banks in financial difficulty shed some of their clients, along with staff, in order to "de-stress" themselves. Corporates are also reassessing their relationships with banks. In recent years, banking relationships have come under increasing scrutiny as corporate treasurers look to rationalize the number of banks they work with in order to elicit greater processing efficiencies and enhanced liquidity management. In a post-credit-crunch environment, companies are also evaluating their banks from a counterparty risk and credit point of view and looking to banks for other solutions that will help optimize working capital.

It is no surprise then, given the more difficult climate, that banks are turning to non-traditional lines of business—e-invoicing, for example—to try to replace the revenues lost as their bread-and-butter businesses—transaction processing and trade financing—become increasingly commoditized. The latest buzzwords in cash management are e-invoicing and supply chain financing, and the two are related as more banks seek to capture information pertaining to approved invoices in order to provide more competitive forms of financing to a buyer's network of suppliers.

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PAPER CUTS

E-invoicing is enjoying a renaissance as customers recognize its financial advantages.

By Anita Hawser

At the height of the dot-com boom, anyone attending the multitude of technology summits touting the next big "disruptive technology" would have heard the mantra that company procurement executives would make the switch from paper-based to electronic invoicing virtually overnight. Despite the hype, it didn't happen that way.

Various estimates suggest that the annual cost savings from moving to e-invoicing could be more than €200 billion ($300 billion) in Europe alone. In 2001 the EU published its Invoicing Directive, which was drafted into national law in 2004. The directive ascribed the same legal status to electronic invoices as paper invoices, provided that authenticity of origin and content integrity could be guaranteed using either electronic data interchange (EDI), digital signatures or other means.

Yet the anticipated boom in e-invoicing never materialized. Current estimates suggest that fewer than 2% of invoices issued globally are transmitted electronically. While the Invoicing Directive laid an EU-wide framework for legal recognition of electronic invoices, it was interpreted differently in a number of EU member states. "The legislation was a concern," says Christian Schaefer, head of db-eBills for global transaction banking at Deutsche Bank. "In terms of how the EU directive translated into local law, everyone was standing in front of the traffic light, but no one was really moving forward as they were waiting for someone else to make the first move."

Watkinson: RBS has created an open e-invoicing solution in an attempt to make it user-friendly for customers

Embarking on an ambitious cross-border e-invoicing initiative within the EU was only for those larger to mid-size companies that were prepared to navigate the legal and tax minefields. Serge Labouyrie, senior manager for electronic invoice presentment and payment, EMEA, at treasury software supplier Ariba, says VAT (value-added tax)-compliant e-invoicing is important, but complex, in the EU. "In Europe the invoice is not just a business document; it is also a vehicle to move money," he explains.

Tony Nisbett, an e-invoicing expert at IBM, which has implemented domestic and cross-border e-invoicing in 20 EU member states, says complexities arise when you start considering the paperwork that goes along with "completely open Internet trading"—quotes, contracts, invoices and VAT receipts. "Businesses wonder which of these documents can be exchanged over the Internet without getting into legal trouble," he says. "Opinions differ. As a result, the vast majority of B2B communications still take place through the exchange of paper."

Another hurdle for companies looking to embrace e-invoicing on an EU-wide basis is differing interpretations of rules pertaining to digital signatures, which are commonly used to authenticate electronic invoices. Steven Hartjes, a senior partner at Ernst & Young, says the fact that different countries have created different requirements for digital signatures and obtaining and maintaining digital certificates has slowed the take-up of e-invoicing.

Although major multinationals have been exchanging information electronically using EDI for nearly 30 years, e-invoicing really came into its own with the advent of the Internet, which facilitates document exchange and collaboration between buyers and suppliers. Most technologists agree that web-based systems are mature enough now that implementing e-invoicing is less disruptive on existing business processes.

Ariba, which boasts a global network of 160,000 e-enabled suppliers, says that web-based system advances have made it easier to roll out e-invoicing. "In terms of volumes, our customers exchange on an annual basis an average of 12 million electronic invoices," says Labouyrie. "Europe represents approximately 25% to 30% of total e-invoicing volume."

Peter Radcliffe, chairman of Fundtech, which recently acquired electronic invoicing specialist Accountis, says he is seeing tremendous activity from most major UK corporates, which are seriously looking at e-invoicing. "Old EDI point-to-point systems have become fully amortized," he says, and companies are wanting to be seen to be "green" by not issuing paper invoices. It is fair to say that e-invoicing is enjoying somewhat of a renaissance as companies that were promised a paperless "nirvana" back in 2000 revisit the subject in the hope that this time the technology, regulators and the marketplace are mature enough to live up to the hype.

"E-invoicing is the next installment in corporate efficiencies," says Labouyrie. "Corporates have centralized finance and accounting, and as soon as they have done this, they are looking at managing invoices on a multi-country basis and at how they interact with their suppliers."

Schaefer says the key concern for most companies is domestic invoicing. "When companies start looking into their supply base, they are surprised about the number of suppliers they have. We are working with one CFO who has started to do his homework, and now that he is looking into these processes, he is surprised about the potential for improvement he sees at first sight."

European cash management banks are also upping the ante in terms of acquiring and rolling out e-invoicing capabilities. Schaefer says e-invoicing sits comfortably alongside banks' existing financial solutions as it facilitates automated payment reconciliation and the capturing of information regarding approved invoices, which can be used to provide supplier financing. Many believe that by linking e-invoicing to early-payment discounts and supplier financing, the business case for dispensing with paper-based processes is even more compelling. "With e-invoicing, the supplier has visibility at all stages of the process," Labouyrie explains. "They know what stage the invoice is at or if there is a problem with the invoice. That enables them to offer early-payment discounts. It also facilitates the provision of third-party financing at better rates because there is greater visibility of the transaction."

European companies have also seized on SEPA (Single Euro Payments Area) as an opportunity to implement pan-European standards for e-invoicing (what corporates refer to as "e-SEPA") alongside harmonized SEPA standards for credit transfers and direct debits. The European Commission (EC) and the European Central Bank are encouraging banks to create a common standard and launch this concept as part of SEPA. In 2007 the EC Informal Task Force on e-Invoicing outlined plans for the creation of a common European Electronic Invoicing (EEI) Framework, saying that without it "the risk is that the current fragmented, complex and costly situation concerning European e-invoicing will continue." The task force called for the development of an international e-invoice standard based on ISO (International Standards Organization)-approved standards.

It is questionable how much can be achieved by the banks. For the time being, most appear happy to provide competing e-invoicing solutions rather than collaborating on a common standard. Labouyrie says different standards will always exist because different industries have different needs.

Ian Watkinson, head of e-invoicing at RBS, agrees, saying that instead of developing a common standard, which can be very time consuming, the bank has created a system that uses "any-to-any" data conversion, which means trading partners submit invoices in their regular formats and then the system translates them into the designated formats of the customers. This is not the harmonized and standardized EEI framework that the commission perhaps envisioned, and only time will tell if the second wave of e-invoicing is one that is more palatable and user-friendly for customers.

PROVING GROUND

How banks treat their customers through the current hard times will define their relationships for years to come.

By Denise Bedell

A wave of anxiety is sweeping through the corporate world as businesses re-evaluate their bank relationships. Those companies are seeking reassurance not only that their banking partners will still be around next year but also that they are willing and able to provide liquidity and that they have the technological capability to help their clients improve process efficiency.

In reviewing their banking partners, corporates are looking at a number of things. The first is whether their banks are continuing to participate in their liquidity facilities. Second, and just as important, is the soundness of the banks themselves and whether the company should continue to bank with that institution. Finally, they are looking at the solutions and services that their bank is providing, whether it is capable of providing the best possible concentration structures and cash solutions to maximize the efficiency of their capital use.

Moinian warns corporates to be cautious: "Banks in trouble are offering extremely good rates"

Shahrokh Moinian, head of corporate cash management sales for Western Europe at Deutsche Bank, says that the consequences of the credit crunch are twofold from a treasury perspective. First, there are fewer mergers and acquisitions happening—especially large deals—because it is difficult to finance them, he says. "Second, treasurers are dealing with a growing need in short-term working capital financing," he adds. As a result, companies are taking a good hard look at those banks with whom they interact. For those with the financial clout, the goal is to ensure they are partnering with the best banks in the market for their needs—both now and down the road. For those without the financial wherewithal to be choosy in the current environment, they are simply trying to ensure that their banks will continue to provide credit—both by participating in revolving credit facility renewals and by providing access to liquidity for daily business needs.

COUNTERPARTY RISK

Corporates are also evaluating their banks from a counterparty risk and credit point of view. "In terms of counterparty risk," explains Moinian, "corporates are asking whether the bank is creditworthy enough for clients to leave their excess in. For centralizing cash, should they leave it with Bank X, or are they concerned that this bank may not be there tomorrow?" Companies are no longer happy to simply look at the rating of a bank. They are also concerned about how the bank is capitalized. They want to understand the long-term strategy of the bank and bank management. "Also they are looking at whether the bank is in a growth and expansion mode rather than internal-looking mode because of their own problems," adds Moinian.

For those corporates desperate for liquidity, it is important to appropriately manage the good rates/bad bank dilemma. "One difficulty is that banks in trouble are offering extremely good rates to corporates—but they may be desperately looking for liquidity, so this may not be the best choice from a strength point of view," Moinian says.

Another big change in how companies deal with their banks is in how they handle "wallet share." Many, if not most, corporates are being more balanced and careful in how they hand out cash management and other peripheral business in relation to who is providing them with credit.

After a number of years with abundant credit, corporates had the upper hand. It was easy to cherry-pick, to take cheap funding when it was available without managing the share of wallet and giving back with other business. Now they are forced to be a bit more careful in order to ensure that extra business provision is associated with liquidity provision. "In the mid-cap segment, there has always been a very strong link between financing and cash management," explains Erik Seifert, head of cash management, Sweden, at SEB, "whereas the largest corporates to some extent have been able to decouple the selection of cash management providers from that of financing."

"However, today, the tight credit market is linking the two even for larger corporates," Seifert notes. "A consequence of this is that many corporates are less prone to change cash management banks even if they are unhappy with the service, as they are very reluctant to go out to the market to refinance."

Corporates are also looking to use internal resources more efficiently to maximize working capital management; no cash is cheaper than the cash you already have. This means re-evaluating internal processes and external links and looking for greater efficiency.

LOOKING INSIDE FOR LIQUIDITY

But sticking with current banks—although appealing—may not always be the best way to ride out the credit crunch. In addition to ensuring rock-solid access to liquidity, corporates are also looking to use internal resources more efficiently to maximize working capital management; no cash is cheaper than the cash you already have. This means re-evaluating internal processes and external links and looking for greater efficiency throughout the working-capital chain.

The ideal way to achieve this would be to have just a single banking partner with the high-end technology and the balance sheet to meet all needs. But a single bank is unlikely to be able to satisfy all the liquidity needs of a corporate that used to be covered by a group of banks. This brings the dilemma between efficiency, with a single-bank solution, versus liquidity, with a multi-bank solution. Of course, if the banking group is too large, banks are unlikely to be unhappy with the collateral business they are given, hence the balancing act between number of banks, required credit and share of wallet.

"Many corporates will only consider liquidity," says one banker, "but I would encourage them to look at both aspects of a relationship—the technical and the credit sides. Taking a long-term view and creating gains in efficiency can lead to just as much cost savings as getting credit, and it can reduce your need for credit. Internal funding is always the best way to go."

With all of the recent upheaval in the banking market, corporates are dealing with the possibility that their banking partners may refuse to participate in their liquidity facilities or, worse yet, that they may disappear tomorrow. Those banks in financial difficulty are shedding some of their corporate clients, along with staff, in order to de-stress themselves. And other banks in the market are picking up the pieces.

"There should be no wavering when it comes to how banks treat their customers," says Jacob Jegher, an analyst at consultancy Celent. "Banks say they are prioritizing their approach to customers and the crisis shouldn't change anything. Those banks that have succeeded will have a better chance of weathering the storm because their customers will appreciate it once the storm is over. Banks that do not follow this approach will have to work harder on customer retention after the crisis is over."

Corporates re-evaluating their bank relationships may find this crisis will become a proving ground for the strength and loyalty of their banking partners. Those banks that show themselves worthy should reap the rewards once the crisis is over.

THE BIGGER PICTURE

Corporate treasurers are fully reviewing all of their liquidity structures and relationships to ensure maximum efficiency, best access to credit and best returns on excess cash.

By Denise Bedell

With credit being ever harder to find, liquidity management has become a growing concern for corporates of all sizes and in every industry. Curiously, while there is not substantially less liquidity in today's market, liquidity is being stockpiled and is not flowing as freely as in the past. As a result, managing existing and future liquidity—be that an excess or a lack of liquidity—is essential for treasurers.

Part of the issue stems from the balancing act that treasurers have had to perform over the past few years. Those firms that have found themselves with excess cash on their balance sheets have had to decide how to manage it. The desire, naturally, was to keep it liquid while still maximizing interest income and keeping the balance of business between different banking partners. The strong global economy and the need to make the most of their excess cash led some treasuries, tempted by high returns, to invest in less-than-gold-standard funds.

Rossi: We have seen a number of our large corporate clients begin to re-evaluate their concentration structures

Now, however, treasurers are once again cautious in their investing, focusing on safer investments—sovereign funds and the like—with the goal of diversification to reduce counterparty risk. There has also been a move by some to bank deposits and other more traditional low-risk options.

Lisa Rossi, managing director and head of liquidity management and investments for global transaction banking at Deutsche Bank, notes: "We are fielding more questions on investment yield or short-term cash positions. Treasurers are evaluating whether they are maximizing their long positions against their long- and short-term debt positions."

On the credit side, simple access to liquidity is the prime concern for many treasurers. As one banker says: "When a credit facility is up for review, there are banks out there that are pulling back from the new facility. More and more clients are coming and asking for larger participation because they have been dropped by some other banks."

"We see a higher utilization of overdraft facilities with our clients," says Erik Seifert, head of cash management, Sweden, at SEB. "When I worked on the corporate treasury side, we always regarded overdrafts as an expensive source of financing. However, in today's tight credit market that is not the case anymore, and many corporates are now tapping into relatively cheap funding via their overdraft facilities."

In addition to access, many treasurers are reviewing the liquidity structures they have in place to maximize efficiency. "In the last four or five months," notes Rossi, "we have seen a number of our large corporate clients begin to re-evaluate their concentration structures. We are getting more and more client requests to realign their concentration structures or review intercompany loan structures. It appears that clients are looking across their businesses to see how they can optimize every account to fund their positions."

Clearly, corporates are taking a hard look at all of their liquidity structures globally. For example, in Asia many firms are increasingly evaluating how and when to consolidate their regional balance sheet where it provides the largest tax advantage. Singapore is increasingly a hub for regional balance sheets.

While some corporate treasurers are handling this review themselves, others are turning to their banking partners for help. The banks are able to help the businesses develop current account structures and relationships for all their accounts and to prepare scenarios that would optimize positions—and the financial impact such changes could have. At the same time, some corporates are also rationalizing bank relationships where possible as it allows them to become more effective with cash concentration structures.

It is not just the large-cap firms that are concerned with increasing efficiency, Seifert says. "More and more of our mid-cap clients are starting to ask for the sophisticated cross-border and cross-currency cash management solutions that were previously only used by the largest customers," he says. "While it is not surprising that state-of-the-art cash management techniques are becoming more widespread, I think this development is accelerated by the tight credit market, which forces corporates toward more efficient liquidity management."


Jegher: Banks must let their clients know that assets are secured and that liquidity is there if it is needed

Treasurers are focused on cash-flow management as they attempt to gain greater clarity into their cash flows to better manage working capital and reduce volatility in incoming and outgoing flows. Because of the effects of tighter credit along with the downturns in the global economy and increased commodity prices, working capital is affected more than ever.

In addition, businesses are paying higher prices for goods, which is causing them to look at cash flows and to re-evaluate their business in a downturn economy. "Cash flows are integral to liquidity management and working capital," notes Rossi, "so there is a full-scale review of cash structures and payment flows happening across many corporate entities."

BANKS DEVISE INTEGRATED SOLUTIONS

Seifert says there is an increased focus on the entire area of working capital management as a result of the slowing business cycle and tight credit conditions. "This includes receivables and payables management as well as liquidity management and cash-flow forecasting," he explains. "As a merchant bank active across the spectrum of products, we take this as a catalyst to build offerings that are based on a holistic view of the customer's working capital process and integrate seamlessly across product areas."

Finally, as the flow of credit tightens, banking relationships become more important, and corporates look to strengthen the good ties and sever the bad ones. They are evaluating who is best at straight-through processing, who can concentrate their funds in the most efficient way, and so on.

As credit has tightened, companies have also become more strategic in how they manage the credit-to-collateral business link. "Two years ago corporates were in the driver's seat," says one banker. "I am not so sure they are in the driver's seat anymore. When credit became tighter, banks began saying, Do we have a solid relationship both ways? There are certainly ebbs and flows in any relationships. This is certainly a time when that flow has changed a bit, and banks want to ensure they are getting that collateral business in exchange for credit."

At the same time, the banking community globally is facing its own demons as corporates have begun to analyze their banks' financial positions in a way they might not have a year ago. Jacob Jegher, an analyst at consultancy Celent, says that the big concern, particularly for large corporates, is whether the banks they are using may present any risk. "People are taking a step back and asking, Are we putting ourselves in any type of risky situation?" Jegher says. "The biggest message banks have to send out is that even though they may be in the midst of a pretty heavy storm, this is what they are doing to secure your assets."

This is particularly important given the current environment. Jegher advises: "Banks must let their clients know that assets are secured and that liquidity is there if it is needed."

"WHO'S WHO" IN TREASURY AND CASH MANAGEMENT

ROBERT ALLEN
Group Treasurer
British American Tobacco

Robert Allen, appointed group treasurer effective this past June, replaces David Swann, who has now retired. Based in London, Allen works with a team of 20 professionals across the BAT group on all aspects of global treasury management. Areas encompass capital markets and debt, financial risk management, insurance, cash management, banking and treasury execution. Allen, who joined BAT in 1997, has worked in an array of roles there, ranging from global liquidity and reporting manager, European finance manager and head of finance-UK and Ireland operations, to strategy and planning director in Korea.

TAREK ANWAR
Global Head, Transaction Sales
Standard Chartered Bank

Tarek Anwar is responsible for cash management, trade finance and securities service sales to corporations and development organizations across the world. During his career Anwar has led teams in structuring capital management solutions for customers operating globally. His extensive experience in all facets of cash and treasury management includes re-engineering projects, treasury centralization programs and shared service center projects. He has also worked in an advisory capacity on change management, complex implementation and project management. After 25 years of professional activity in the United States, Asia, Europe, the Middle East and Africa, in May 2006 he moved from San Francisco back to Singapore.

ALEXANDRE BARRAINE
Director of Treasury, EMEA and Asia
Magna Automotive

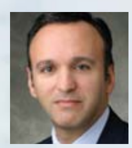
Early this year Alexandre Barraine joined Magna Automotive Treasury Center in Zug, Switzerland. Before taking his current position, he worked at Delphi, first as a senior analyst and later as regional treasurer, covering EMEA. He focused there specifically on debt financing, capital structure and dividend repatriation, cash pooling and treasury software implementation and cash-flow forecast. Prior to Delphi, he worked at Marsh & McClennan Enterprise Risk in New York City until that venture was wound down after September 11, 2001.

DONALD E. BERK
Senior Vice President and Head of Product Management, Treasury Management Services
The Northern Trust Company

Donald Berk started his career at IBM, where in 1984 he worked on the first PCs. After moving into banking at Wachovia, he then joined The Northern Trust Company. He is now responsible for any product that the firm deploys into the global banking business, including US commercial banking, international banking and personal finance services. He is also in charge of all of the bank's outsourcing solutions for item processing, lockbox and residential mortgage processing. In addition, he oversees the operation of Northern's FSB and process management of their 85 offices nationwide.

CATHERINE P. BESSANT
President, Global Product Solutions
Bank of America

Catherine Bessant recently led a merger of the bank's treasury and credit organizations to integrate product delivery, accelerate innovation and improve client service. Accounting for more than $13 billion in revenue, global product solutions serves more than 140,000 business and institutional clients worldwide and offers business and corporate lending, global payments and liquidity management, commercial card services, trade finance, foreign exchange, lines of credit and equipment finance solutions. Bessant, who joined the company in 1982, was formerly global marketing executive for Bank of America and, before that, president of Bank of America, Florida.



ALAN BIELER
Treasurer
Marsh & McLennan Companies

Alan Bieler is responsible for worldwide treasury activities for MMC and its subsidiaries, which provide global services in risk, strategy and human capital. After starting at MMC in 2001 as assistant treasurer, Bieler was appointed treasurer in October 2006. Before joining MMC, he spent eight years at PepsiCo, where he served in a variety of positions, including director of corporate finance and director of international treasury. He has also worked at Cooper Industries and with GE Capital Corp.

JILL J. BRADLEY-GUERRINO
Assistant Treasurer, Corporate Treasury
Allianz of America
Jill Bradley-Guerrino is in charge of all cash operations of Allianz Life and Fireman's Fund companies and their associated entities. The main functions within these departments are bank relationship management and services, cash operations and forecasting, financing strategies, strategic planning and risk management. During her 17-year tenure with Allianz, Bradley-Guerrino has held numerous positions in the finance area.


BRIAN P. BREEN
Senior Vice President and Treasurer
Simmons
Brian Breen joined Simmons in July 1996 and has served as vice president and treasurer since January 2002. As treasurer Breen has led and directed the transformation of the treasury department into an industry leader, particularly in the area of working capital management. He has been an active member of the Simmons management team, engaged in various buy/sell enterprise transactions. The most notable transaction took place in 2003 and involved private equity firms Thomas H. Lee Partners and Fenway Partners.


ERIC CAMPBELL
Chief Technology Officer
Bottomline Technologies
For 25 years Eric Campbell has been actively involved in helping some of the world's largest banks and financial institutions develop strategies for global cash management. An expert on wholesale electronic banking and international payments, Campbell played an instrumental role in introducing in 1996 one of the industry's first web-based corporate cash management services. Today, he is driving the development of Bottomline's WebSeries platform, which helps banks execute competitive growth strategies. It does so by providing flexibility and scalability for innovative global products and services for corporate treasury.


PAMELA A. CARSON
Executive Vice President, Group Executive – Global Treasury Management, Global Trade and International Payment Services
KeyCorp
Pamela Carson's groups at KeyCorp provide cash management and trade solutions and services to the bank's commercial, corporate and consumer clients. Global treasury management comprises sales, product and support professionals. Carson began her career at Key in 1992, forming and managing credit production management, channel management and Internet strategy for the commercial bank. Previously, she was chief administrative officer for Key corporate and investment banking. Before joining Key, she had held a variety of positions at Citicorp since 1980, ranging from operations to international to relationship management.


MICHAEL W. CONNOLLY
Vice President and Treasurer
Tiffany
Michael Connolly has a wide range of responsibilities at Tiffany, where he has been treasurer since 1997. Connolly's bailiwick covers treasury operations, financial risk management, operational risk management and insurance. He is also a member of Tiffany's pension, enterprise risk management, business recovery and continuity, security and safety committees. On the taxation front, he looks after global planning, domestic compliance and international customs duties planning. In 2006 Connolly was elected to the board of the Association for Financial Professionals.


MALCOLM COOPER
Group Tax and Treasury Director
National Grid
Malcolm Cooper is responsible for the tax, treasury, corporate finance, business planning and insurance activities for National Grid. He became group tax and treasury director in 2006. The group's tax charge last year was about £600 million ($1.2 billion.) On the treasury side, this includes the management of its £20 billion debt portfolio and the group's funding, together with interest rate risk management, project finance and foreign exchange requirements. On the corporate finance side, it comprises dividend policy, mergers, acquisitions and disposals. Cooper also has overall responsibility for the company's strategy on the financial aspects of its pensions. Funding the acquisition of KeySpan Corporation was a recent major milestone.


CHRISTIAN DAHLBERG
President and General Manager, New York
SEB Group
Christian Dahlberg manages the New York branch of SEB, which serves the northern European banking group's core clients in the North American market. Clients include Nordic and German subsidiaries that conduct business in North America, as well as US corporations and financial institutions active in northern Europe. Prior to his New York post, which he began in 2004, Dahlberg was client executive for client relationship management in Stockholm for SEB Merchant Banking.

FRANCESCO VANNI D'ARCHIRAFI
Global Head of Treasury and Trade Solutions
Citi
Francesco Vanni d'Archirafi, who has been a senior banker at Citi for more than 24 years, runs treasury and trade solutions, the largest division of Citi's global transaction services business. Under his leadership, the cash management and trade services and finance businesses were merged to create treasury and trade solutions. In 2007 the business acquired Ecount, a leader in the prepaid cards industry. Subsequently, in 2008 it purchased PayQuik and launched QuikRemit, a white-labeled global remittance platform.

NORMAN J. DELUCA
Head of Global Transaction Services, Americas
Royal Bank of Scotland
Norman DeLuca joined GTS from Citizens Financial Group (CFG) and has responsibility for delivering the full range of global and domestic transaction services capabilities—cash management, global trade finance, merchant services and commercial card products—to clients across all segments in the United States, Canada and Latin America. Previously, he was vice chairman at CFG, in charge of the payments and lending services enterprise, which covered cash management; trade services; commercial card products; merchant services; credit, debit and prepaid cards; home lending solutions and consumer lending.

KENNETH DUMMITT
President, Banks & Corporations
SunGard
Kenneth Dummitt's role at SunGard is to provide financial, risk and operations professionals with a comprehensive, collaborative approach to liquidity and risk management. Dummitt's strategic vision of a comprehensive approach to enterprise liquidity and risk management is based on a holistic view of connectivity, both with trading partners and between disparate functions. He helps foster collaboration by centralizing and optimizing receivables, treasury and payments and then building a connectivity platform across the financial supply chain. Thus, companies increase the velocity of free cash flow, mitigate risk and drive efficiencies for higher returns.

KAREN FAWCETT
Group Head, Transaction Banking
Standard Chartered Bank
Karen Fawcett is senior managing director and group head of transaction banking, which is a part of Standard Chartered Bank's wholesale banking business. Fawcett, who is based in Singapore, oversees the end-to-end performance of cash management, trade services, securities services and electronic channels. Previously, Fawcett was global head of strategy for the wholesale bank, where she repositioned the strategy of the wholesale business and undertook key acquisitions, including that of Korea First Bank. Fawcett came to the bank in 2001 from Booz Allen Hamilton, where, as vice president and partner, she focused on the financial services sector in the Asia-Pacific region.

KEN FRIER
Vice President, Corporate Treasury, and Chief Investment Officer
Hewlett-Packard
Ken Frier is charged with corporate finance and financial risk management and with the investment of over $25 billion of retirement plan assets at HP. Since joining HP in 2000, he has raised more than $11 billion of funding in the debt market, managed $25 billion in share repurchase spending (including three large structured transactions) and supervised $100 billion a year of derivatives transactions. For a year before joining HP Frier was CFO of Firstsource.com, a business-to-business e-commerce company. He spent the prior nine years in the treasury group at Walt Disney, where he headed financial risk management and oversaw the investment of $3 billion in pension fund assets.

PAUL GALANT
CEO, Global Transaction Services, Institutional Clients Group
Citi
Paul Galant is managing director and CEO of global transaction services, one of Citi's publicly reported product lines. It offers treasury and trade solutions and securities and fund services capabilities worldwide, processing over $3 trillion in payments daily and handling more than 1 billion transactions annually. He was previously global head of Citi's cash management business, one of the largest processors of cash flows in the world. Under his leadership the business grew significantly and improved its operating performance. It gained recognition for innovation and excellence from many publications, including *Global Finance.*

MICHAEL GALLAGHER
Executive Vice President
HSBC Bank USA
Michael Gallagher looks after HSBC's payments and cash management and bank notes services in North America. He is also global head of the institutional payments business within global transaction banking. Gallagher, who has more than 20 years of transaction banking experience, joined HSBC in 1997 as a senior vice president, head of corporate and institutional sales. Prior to HSBC he held a variety of senior positions at CoreStates Financial Corp. in Philadelphia, Tokyo and New York.

JAMES G. GRAHAM
Executive Vice President
PNC
James Graham, executive vice president and business executive of domestic and global treasury management, brings to this role his substantial experience at PNC and earlier. As business executive for national corporate and business banking and deputy head of corporate banking, he earned credit for having expanded PNC's array of products and financial services. Before joining PNC in 1992, Graham was managing director at Bank of America global payments services.

SHALABH GUPTA
Treasurer
Sara Lee
In September 2007 Shalabh Gupta was appointed treasurer at Sara Lee, to which he was promoted from his role as assistant treasurer, where he had been directly responsible for all US-based corporate treasury operations. He had initially joined Sara Lee in 2004 as director, capital markets and pensions, becoming

assistant treasurer a year later. Before his tenure at Sara Lee, Gupta held a variety of treasury positions at Delphi Corporation and General Motors, where he worked in both treasury and business development functions.

DAVID GUTSCHENRITTER
Executive Vice President and Treasurer
State Street Corporation
A seasoned executive with more than two decades of global finance, risk and treasury experience, David Gutschenritter first came to State Street in 2004 as managing director of global liability and capital management. In December 2006 he was promoted to head of global treasury and assistant treasurer, in June 2007 he was made executive vice president, and in January of this year he was named treasurer of State Street Corporation. Gutschenritter has responsibility for the oversight of State Street's balance sheet, investment portfolio, liquidity and interest rate risk management activities worldwide. As an integral part of the finance team for the past four years, he has demonstrated acumen and prudence in managing the bank's balance sheet.

E. JUDD HOLROYDE
Senior Vice President and Head of Global Product Management and Delivery
Wells Fargo
Judd Holroyde is responsible for Wells Fargo's global treasury management, consumer FX and trade product sets. He also leads the overall global strategy of the wholesale services division. His entire career at Wells Fargo, which began in 1997, has concentrated on looking at banking from the customer's viewpoint. In 2000 he developed overall strategy and designed the end-to-end customer experience on the business Internet portal, in 2004 he established a panel of customers to provide experience feedback, and he has led product development to automate customers' implementation of treasury management services.

JIM KAITZ
President and CEO
Association for Financial Professionals
As president and CEO of AFP, Jim Kaitz manages the operations of an association that represents more than 15,000 treasury and financial professionals throughout the United States and in more than 40 countries. Kaitz has become the voice of the profession and a strong advocate on key issues such as the reform and oversight of the credit ratings agencies and banks' practices of tying the access to credit to bank revenues. He has testified before congressional committees and other regulators and helped raise awareness on key issues affecting the practice of treasury and the capital markets.

ERIC D. KAMBACK
Executive Vice President
The Bank of New York Mellon
As deputy head of treasury services, Eric Kamback establishes and oversees the execution of treasury services and cash management business strategies in sales, product management and product development. His key initiatives have helped shape the company's approach to global markets and business opportunities worldwide. At the same time, his strategic focus on growing the Bank of New York Mellon's treasury services business has expanded the group's portfolio of product and service offerings and significantly enlarged its client base in Europe, Asia, the Middle East and the Americas.

CHRIS LEONE
Group Vice President, Fusion and GRC Applications Development
Oracle
Chris Leone leads the strategic direction at Oracle for developing the Fusion applications suite, including the ERP and CRM functional domains that treasurers use worldwide. In this role Leone is responsible for driving the business requirements, functional investment priorities and broader business strategies, as well as for the strategy and development process of the emerging GRC applications suite. Prior to his role at Oracle, he developed enterprise software applications at PeopleSoft, where he headed product management activities of the company's financial management and enterprise performance management product lines.

ANDREW LONG
Group General Manager and Head of Global Transaction Banking
HSBC
Andrew Long was appointed group general manager in May of this year, having headed global transaction banking since January 2007. GTB products include payments and cash management, trade finance and supply chain services, securities services and wholesale banknotes. Long joined HSBC in 1978 in the imports department in Hong Kong and subsequently worked in a number of positions throughout Asia. He continued his career in New York and the United Kingdom, eventually becoming head of operations and processing for the Asia-Pacific region in 2001 and chief operating officer for HSBC in the region in 2004.

MELISSA MOORE
Executive Vice President
JPMorgan
Chief Executive Officer
JPMorgan Chase Treasury Services
Melissa Moore is responsible for all aspects of client management, product innovation and service direction and delivery in JPMorgan's treasury services business. Moore was selected to be CEO after holding the chief operating officer position within treasury services. Under her leadership the business earned recognition for delivering innovative treasury, cash management, liquidity, trade finance and information solutions. Before that, she was chief administrative officer for treasury and securities services, a $9 billion revenue operation. She was corporate controller at Bank One before its merger with JPMorgan Chase and, before that, spent 17 years at PricewaterhouseCoopers.

CHRISTOPHER DEL MORAL-NILES

Treasurer

The First American Corporation

Christopher Del Moral-Niles coordinates all cash management, investment, financing and capital management activities across The First American Family of Companies. He also supports several initiatives related to the centralization of treasury functions, financial planning and budgeting for the company. He joined First American in August 2006 from Union Bank of California, where he most recently served as senior vice president and director of liability management. Niles has also served as president and director of UnionBanCal Commercial Funding, with prior stints as an investment banker with Lehman Brothers and Merrill Lynch.

RUSSELL PAQUETTE

Treasurer

REI Recreational Equipment

Russell Paquette is treasurer of REI, a $1.3 billion national retail cooperative that provides quality outdoor gear and clothing. He is responsible for all aspects of REI's corporate treasury, ranging from the investment portfolio, line of credit, enterprise-wide risk management and insurance, to banking structure, cash management operating platform, investment relationships and foreign exchange. In 2007 Paquette was honored as the recipient of the regional AFP's "Best of the Northwest" award for professional distinction in that region.

DANNY PELTZ

Executive Vice President, Wholesale Internet and Treasury Solutions

Wells Fargo

Danny Peltz is responsible for Wells Fargo's global treasury management services for corporate and commercial customers, overseeing an 8,000-member team of product, sales, technology and marketing professionals. An 18-year veteran of Wells Fargo, Peltz has been at the forefront of the paper-to-electronic revolution. He developed and manages the Commercial Electronic Office portal, as well as Wells Fargo's flagship Check 21 solution, Desktop Deposit service.

THIERRY ROEHM

Executive Vice President, Wholesale Internet and Treasury Solutions

Société Générale

Thierry Roehm is global head of Société Générale's worldwide corporate cash management business, which operates in more than 50 countries. Prior to his current role, Roehm drew on his extensive experience of banking activities in Europe to successfully manage the building of a centralized payments and account management platform for Société Générale wholesale customers in seven European countries.

FREDERICK A. SCHNACKNIES

Assistant Treasurer, International

Constellation Energy Group

Frederick Schnacknies joined Constellation Energy in June 2007 as assistant treasurer, international. He currently supports cash management, money markets, credit facilities, corporate foreign exchange, pensions, the employee savings plan and nuclear decommissioning trusts. Prior to Constellation Energy, Schnacknies worked for Lucent Technologies for eight years, most recently as director, in-house bank. At Lucent he implemented an in-house bank and global treasury system, which brought the company three Alexander Hamilton Awards in 2004.

GARY SILHA

Assistant Treasurer

Tenneco

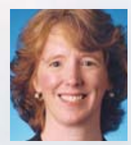
Gary Silha is the assistant treasurer at Tenneco, a $6.2 billion auto parts supplier, where he is directly responsible for the company's worldwide treasury operations. Prior to joining Tenneco in 2000, Silha served as director of worldwide treasury operations at American Can Company and manager of cash and banking at Ingersoll Milling Machine Company. He brings a total of 24 years of treasury operations experience and has held numerous board positions during his 21-year involvement with the Treasury Management Association of Chicago, including president and co-chair of the Windy City Summit.

PAUL H. SIMPSON

Managing Director and Global Head, Global Transaction Services

Citi

Paul Simpson's integrated global business within Citi's GTS group runs the gamut, from wholesale card services and public sector business solutions to healthcare solutions. These businesses serve healthcare and public sector clients as well as corporations and financial institutions in more than 120 countries. Simpson joined Citi in 2007 from JPMorgan's treasury and securities services division. Simpson has been a member of various industry-wide leadership organizations and editorial boards, such as the National Foreign Trade Council, SWIFT Trade Services Advisory Group, Trade and Forfaiting Review and Global Trade Review.



SALLY M. SMEDAL

Chief Financial Officer

G.L. Mezzetta

Sally Smedal is the CFO for G.L. Mezzetta, the leading producer of glass-packed peppers, olives and specialty foods in the US. Prior to her current role, she worked as the treasurer and controller for Basic American Foods. Before that, she worked for Chevron Corporation for 12 years, holding a variety of positions in internal audit, accounting and treasury. Smedal recently completed her tenure as the chairman of the board of the AFP and is now serving a two-year term as past-chairman.

MARILYN SPEARING

Head of Trade Finance and Cash Management for Corporates, Global Transaction Banking

Deutsche Bank

Marilyn Spearing has successfully united Deutsche Bank's trade finance and cash management capabilities to provide integrated and efficient solutions for corporate clients worldwide. The bank has taken the lead in offering clarity around the Single Euro Payments Area (SEPA) proposition as well as the platform to facilitate it. It also leads the industry with its award-winning supply-chain financing solutions and newly enhanced traditional global trade activities. Under Spearing, the bank continues to invest in the developing areas of Eastern Europe, Brazil, Russia, India and China.

LOREN STARR

CFO

Invesco

Loren Starr is the CFO at asset manager Invesco, which houses the AIM, Invesco, Powershares and WL Ross Money Management units. He previously was CFO of Janus Capital Group and has held positions with Putnam Investments, Lehman Brothers and Morgan Stanley. In 2006 he was elected to a two-year term as chairman of the board of directors of the Association for Financial Professionals, where he has served as a member since 2002.

ROBERT W. STASIK

Executive Vice President

The Bank of New York Mellon

Robert Stasik oversees The Bank of New York Mellon's shareholder services and treasury services businesses, which has locations in 37 countries on six continents. Under Stasik's direction, the group helps financial service companies, corporations and governments optimize cash flow and make payments more efficiently around the world. It has accordingly become a recognized leader in the delivery of white-label treasury service solutions.

WERNER STEINMUELLER

Head of Global Transaction Banking

Deutsche Bank

Werner Steinmueller has positioned Deutsche Bank's global transaction banking for steady, performance-driven growth throughout Europe, Asia and the Americas. Under Steinmuller's leadership the GTB business has been rewarded with an income before interest and taxes growth rate of 55% over the past three years. GTB's strategic geographic expansion across developing markets in Asia, Europe and Latin America has deepened the bank's offering and client reach. In addition, its acquisition of parts of ABN AMRO's commercial banking activities in the Netherlands has extended the operation.

BRIAN STEVENSON

Chief Executive Officer, Global Transaction Services

Royal Bank of Scotland

Brian Stevenson leads global transaction services, which was established this year as a new division of RBS. It comprises cash and liquidity management, trade finance and merchant acquisition and commercial cards, and it serves clients across more than 50 countries. This new division had pro forma operating profit of £1.6 billion in 2007. Stevenson joined RBS in 2004 as managing director, head of corporate and institutional banking. From 1992 to 2004 he ran Deutsche Bank's global banking business in London before becoming its chief operating officer. In his last position at Deutsche Bank, Stevenson was based in Hong Kong and looked after both the global banking business in Asia-Pacific and client relationships.

DENNIS SWEENEY

Deputy Treasurer

General Electric

Dennis Sweeney is in charge of GE's global treasury operations, managed from a base in Stamford, Connecticut, through regional treasury centers in Delhi, Tokyo, Dublin, Mexico City and São Paolo. He and his team provide FX and derivatives execution, middle-office support, cash management, acquisition integration and inter-company funding/accounting to GE's businesses worldwide. Sweeney has long been an advocate of corporate access to the SWIFT network and has led GE to become SWIFT's highest-volume corporate user. He continues to promote expanded use of the network through various FileAct applications, enquiries and investigations messages and support for e-bank administration. He also led the initiative by the International Bank Compensation Group to partner with TWIST to create a new international bank billing standard for electronically invoicing bank fees.

CARRIE W. TEFFNER

Chief Financial Officer

Sara Lee

Carrie Teffner is senior vice president and CFO at Sara Lee Household and Body Care. She was elected an officer of the corporation in 2005. Prior to her current position, Teffner served as senior vice president of Sara Lee Foodservice. Teffner, who joined Sara Lee in 1988, has held a variety of financial and management positions of increasing responsibility, which have included assistant treasurer of Sara Lee, CFO of Champion Jogbra, vice president of administrative transformation and vice president and general manager of Sara Lee Business Services.

SUSAN J. WEBB

Executive Vice President and Product Executive, Treasury Services Global Core Cash Management

JPMorgan Chase

Prior to joining Treasury Services, Susan Webb was head of corporate development for retail financial services and the firm's payment strategy group. During her 25-year career with JPMorgan Chase, Webb has led various businesses in treasury services, auto finance and regional banking. In addition to her duties with the firm, she also serves on the board of the New York Clearing House.