2019 TREASURY PERSPECTIVES Survey Report

General Report

Survey Demographics

Economic Outlook

Treasury Operations

Technology Use

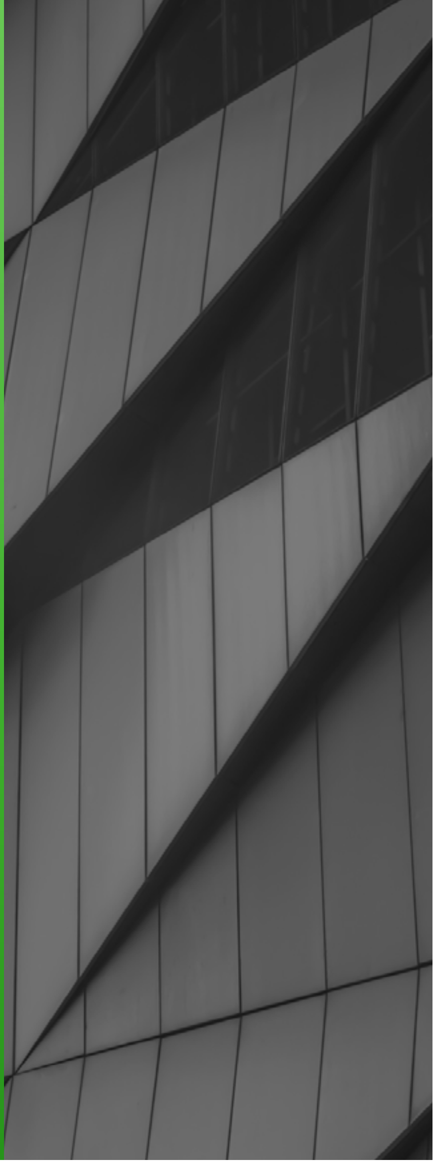
Regulations & Compliance

Sponsored by

TD Bank

Written & Produced by

Strategic Treasurer
Consultants in Treasury



CONTENTS

Survey Contacts

THOMAS GREGORY
Director of Treasury Mgmt. Sales
thomas.gregory@TD.com

MARTHA GASTON, APR
VP, Corporate Communications Manager
martha.gaston@TD.com

CRAIG JEFFERY, CCM, FLMI
Founder & Managing Partner
craig@strategictreasurer.com

BRIAN COCHRUM
Director of Marketing
brian@strategictreasurer.com

ISAAC ZAUBI, CTP
Publications Manager
isaac.zaubi@strategictreasurer.com

EXECUTIVE SUMMARY

Although only a year has passed since the last iteration of the Treasury Perspectives Survey, we have witnessed significant change across the treasury and finance landscape. In an environment increasingly impacted by massive shifts to the economy, technology, and regulation, treasury professionals are finding themselves hard-pressed to cope with the evolution of their practice, while also struggling to maintain order over a rapidly growing list of responsibilities and expectations.

In 2019, Strategic Treasurer & TD Bank's Treasury Perspectives Survey again sought to determine the viewpoints of both bank and corporate respondents across a range of categories including economic outlook, technology use, and regulation. In analyzing the results obtained through each section, we have identified several key storylines that encapsulate the findings from this year's study.

Treasury's Economic Outlook Dampens from 2018:
In 2018, the vast majority of organizations were highly optimistic regarding both the overall health of the economy, as well as the health of their individual companies. Now in 2019, this optimism has waned as rising interest rates, political gridlock, and fears of a recession have all negatively impacted practitioners' viewpoints.

Manual Processes are Problematic & Treasury Teams are Overworked:
While many organizations remain hesitant to adopt new technology, manual processes were listed as the top operational challenge for organizations heading into 2019, and more than one-third of treasury professionals indicated they do not have time to perform all their responsibilities.

Corporates are Excited about Tech Innovation but Lag in Pursuit:
Despite practitioners indicating they are excited about the development of new technology, the percentage of firms actively leveraging products that include blockchain, artificial intelligence, or digital currency remains quite low. Additionally, a large swathe of the corporate landscape is choosing to remain on the sidelines and hold off on adoption until further enhancements and improvements occur.

Compliance Restrictions are Intense & Expected to Increase:
From a compliance standpoint, practitioners continue to indicate that current levels of regulatory oversight are higher than historical norms, and many expect such oversight to continue increasing.

TOM GREGORY
Director of Treasury Mgmt. Sales
TD Bank

CRAIG JEFFERY, FLMI, CCM
Founder & Managing Partner
Strategic Treasurer

While these general storylines provide a brief synopsis of the Treasury Perspectives study, more specific insights related to each area of analysis can be found within the following pages of this report. Once again, Strategic Treasurer & TD Bank are proud to present one of the most comprehensive studies related to the practice of treasury within the North American marketplace. Thanks again to those practitioners who took the time to make this market research so valuable, and we hope you find the information useful.

ABOUT THE SURVEY

Development · *Run Time* · *Analysis*

2018 SEPTEMBER · OCTOBER · NOVEMBER · DECEMBER · 2019 JANUARY · FEBRUARY · MARCH

SURVEY FACTS & FIGURES

~340 respondents

2nd year of research

100+ questions

10 week survey runtime

QUICK STATS

81% of organizations expect U.S. interest rates to continue rising in 2019.

65% of organizations have not experienced any significant impact from recent U.S. trade conflicts.

34% of treasury groups don't have time to perform all their responsibilities.

5% of organizations are currently using blockchain or distributed ledger technology in treasury.

KEY AREAS OF FOCUS

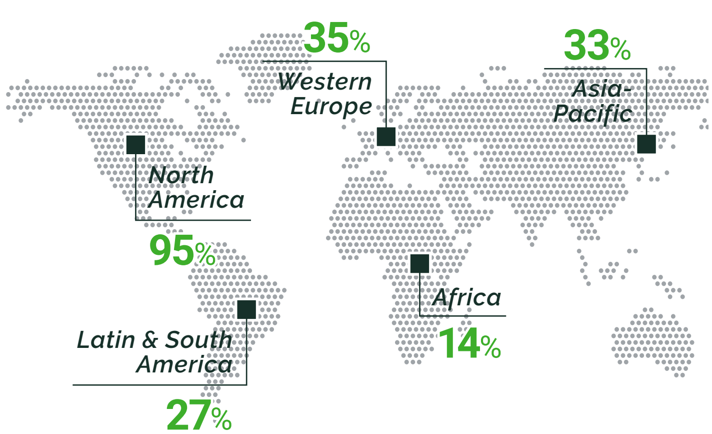
How have recent economic developments impacted treasury's outlook on the economy?

How do treasury and finance practitioners view both the current and future state of treasury technology?

How have organizations' lending and borrowing behaviors been impacted by developments over the past 12 months?

How do practitioners view the current regulatory environment and what direction do they believe it is heading?

RESPONDENT REGIONS OF OPERATION



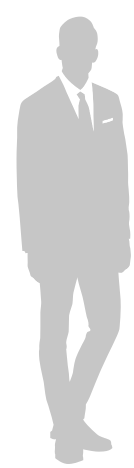
TOP CORPORATE RESPONDENT ROLES

24% *Treasurer/AT/Director*

19% *Treasury/Cash Manager*

13% *C-Suite*

12% *Treasury Analyst*



KEY FINDINGS AT-A-GLANCE

Economic Outlook

1. Companies are less optimistic today than in 2018
2. U.S. corporate tax reform has limited impact
3. Trade conflict is NOT a top corporate concern
4. Despite economic uncertainty, corporates still plan to spend

Treasury Operations

5. Manual processes continue bogging down corporates
6. Payments & forecasting are time consuming
7. Over one-third of treasury groups can't perform all their duties

Technology Use

8. Corporates slowly applying new tech
9. Despite slow adoption, corporates are excited about emerging tech

Regulations & Compliance

10. Regulatory pressure is high & is expected to increase
11. KYC remains a top concern

KEY TAKEAWAYS: Treasury Action Items

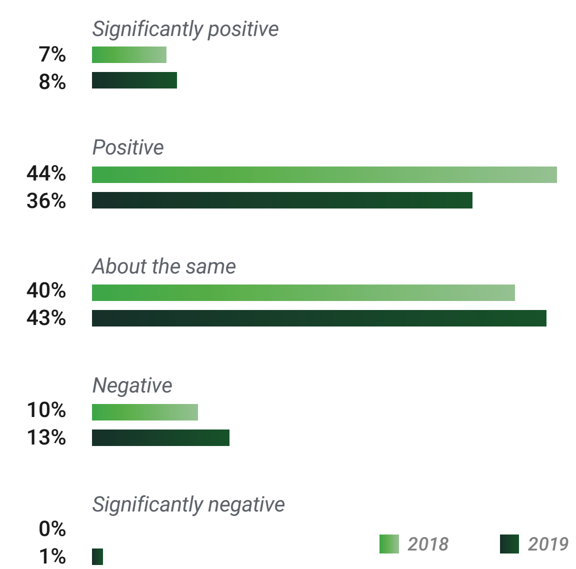
KEY FINDINGS ANALYSIS

1] *Companies are Less Optimistic Today than in 2018*

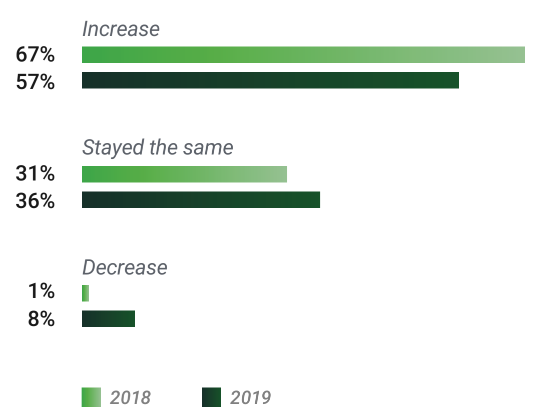
In early 2018, more than half of firms indicated that their outlook was more positive than in the previous year, while just 10% were less optimistic about their prospects. For 2019, this positive outlook decreased to 44%, while those with a negative perspective jumped to 14%. This is a noticeable shift in just a single year. Although no follow-up questions were asked regarding what led to this change, several related data points show that concerns stemming from higher interest rates and a shifting compliance landscape are top of mind for corporates. Additionally, as Congress and the Trump Administration remain gridlocked on issues like trade and immigration and as uncertainty surrounds a growing number of U.S. policies, there are clear economic headwinds that are dampening corporate optimism.

Overall GDP growth expectations have also declined since 2018. One year ago, over two-thirds (67%) of organizations expected the GDP of their HQ country to increase and just 1% expected a decrease. In 2019, 57% of firms anticipate a GDP increase over the next 12 months (-10% from 2018), and 8% expect a decrease (+7% from 2018). Viewed in aggregate, these datapoints all point toward tapered expectations for corporates as they grow wary of an economic slowdown after several years of low interest rates and high growth.

Over the past 12 months, how has the outlook for your organization changed?



In the next year, we expect the GDP of our HQ country to:



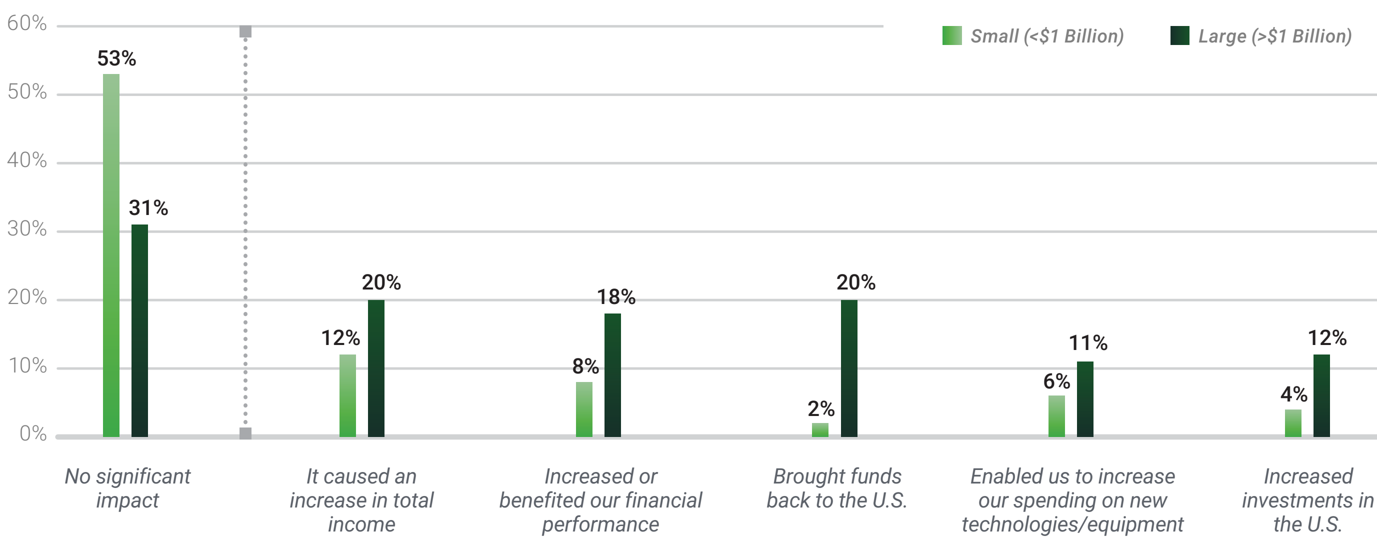
A Notable Shift in Just a Year: *The percentage of organizations expecting the GDP of their HQ country to increase has declined by 10% from 2018. Additionally, the percentage of firms that have a positive outlook for their organization has declined by 7%.*

2] U.S. Corporate Tax Reform has Limited Impact

In late 2017 and early 2018, U.S. tax reform was heavy on the minds of many practitioners. And while data from those years showed some practitioners had concerns over how tax reform would impact them, the overall consensus was that the changes would largely benefit U.S. businesses. Now that a full year under the new tax structure has passed, however, survey data indicates that the expected benefits of these changes were not as widespread as originally anticipated. In fact, despite sweeping changes to the corporate tax structure, the impact on the business environment appears to be relatively subdued. In total, nearly half (44%) of firms indicated tax reform has had no significant impact on their business, while 15% indicated an increase in total income, 12% improved financial performance, and 10% brought funds back to the U.S. as a result of the tax law changes.

Although this data contrasts with many firms' expectations in 2018 that tax reform would transform the U.S. economy, it is worth noting that around 1 in 5 "large" firms (those with >$1 billion U.S. revenue) have benefited. Looking specifically at firms in this revenue tier, 20% saw an increase in total income, 18% saw increased financial performance, and 20% repatriated cash into the U.S. as a direct result of tax reform. On the other hand, small firms experienced far less of an impact from tax changes; 53% did not recognize any impact, while 12% saw an increase in total income and 8% indicated an increased financial performance. Only 2% of small firms brought cash back to the U.S.

Corporates: How has tax reform impacted your business? (Select all that apply)



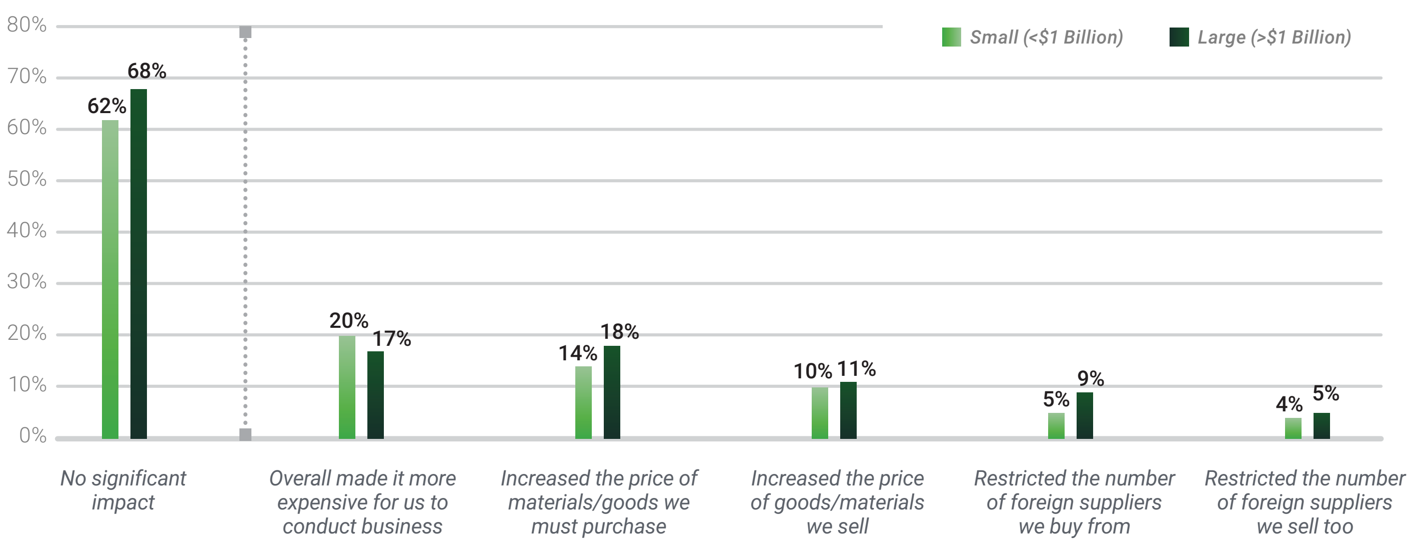
Nearly Half of Firms Don't Recognize any Impact: *While the significant overhaul to the U.S. tax structure that went into effect last year was widely anticipated to bring large benefits to businesses, many have not recognized any significant impact. However, data showed that large firms (those with annual revenues exceeding $1 billion) were much more likely to benefit from tax reform than their smaller counterparts.*

3] *Trade Conflict is NOT a Top Corporate Concern*

Over the past year and especially within the past 5-6 months, there has been significant media coverage regarding the impact of trade conflict (particularly with China) on U.S. businesses. As tensions between the U.S. and China have continued to escalate and talks of a full-blown "trade war" routinely surface, many experts are predicting massive damage to the global economy if these threats should come to fruition. Despite the buzz surrounding these conflicts, corporates do not seem overly worried about recent activity. As it stands, trade conflict was listed as the fourth highest concern for companies both internationally and domestically, behind other issues such as cyber fraud, rising interest rates, and increasing regulation. The majority of survey respondents (65%) indicated that trade conflict has not had any significant impact on their business. Only 18% have found it more expensive to conduct business and 16% have seen increased prices on goods, while 10% have had to raise the price of their own goods. Interestingly, there were no significant deviations in the experiences of small and large firms regarding trade conflict; proportions of respondents across each answer choice were evenly distributed.

While further escalation of trade conflicts between the U.S. and China would certainly damage the global economy, both sides are pressing for a deal and negotiations between the countries are ongoing. Although the danger posed by an all-out trade war still exists, organizations clearly feel that there are more imminent threats to their operations and to the economy overall.

Corporates: How has trade conflict (China, G7, NAFTA) impacted your business? (Select all that apply)



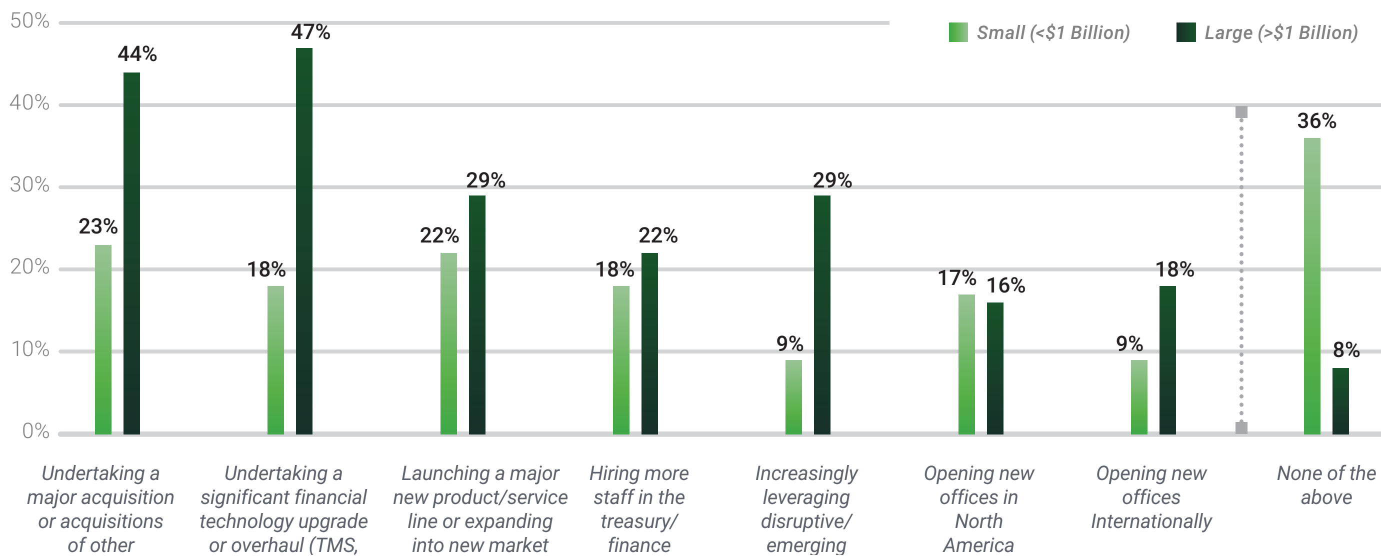
***2 in 3 Firms Unimpacted by Trade Conflict:** Despite significant media coverage regarding the impact of global trade conflicts, a significant majority of organizations remain unimpacted. Alternatively, nearly one-fifth of firms are finding it more expensive to conduct business overall and 1 in 7 have seen an increased cost of the goods they purchase.*

4] *Despite Economic Uncertainty, Corporates Still Plan to Spend*

Although many of the viewpoints corporates hold regarding economic and business growth have shifted unfavorably in the past year, one positive sign is that planned spending remains high across a number of areas. Over the next two years, nearly one-third (32%) of firms plan to undertake a major acquisition or acquisitions, 30% plan to invest heavily in financial technology upgrades, and 25% plan to launch a major new product or service line. In an economic environment where corporate optimism has dampened, this continued willingness to spend is a silver lining across an otherwise cloudy outlook.

While planned spend in aggregate is high, a point of distinction is that larger firms (annual revenues >$1 billion) were much more likely to invest in new projects than companies with revenues less than $1 billion across virtually every category. A particularly extensive divide exists regarding planned spend in technology and M&A activity, with large firms investing 2-3x more frequently than their smaller counterparts. Alternatively, nearly 5x more small firms (36% total) do not plan to spend significantly in any category. Instead, analysis shows that small firms are much more likely to save any excess cash earned and are hesitant to make any major financial investments, especially in an environment fraught with economic uncertainty. This is in contrast to large firms with plentiful capital reserves and satisfactory credit ratings that are continuing to spend across a variety of categories.

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



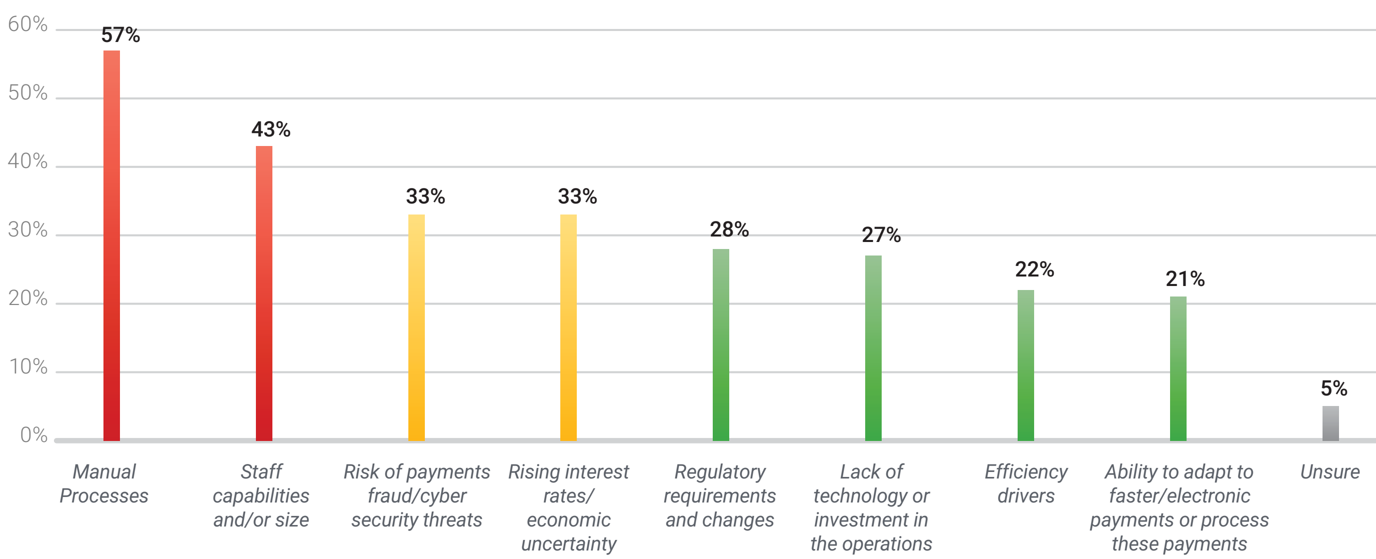
Large Firms Spend, Small Firms Save: *While nearly half of large firms (annual revenues >$1 Billion) plan to undertake a significant financial technology upgrade or complete a major acquisition in the next two years, spending plans for smaller firms were subdued across virtually every category. Over 4x more small firms did not plan to spend in any listed category.*

5] *Manual Processes Continue Bogging Down Corporates*

In the modern treasury environment, it is not uncommon to find treasury groups operating with just a few employees. In fact, data from this survey indicated that nearly 50% of respondents had treasury teams consisting of three or fewer individuals. While staff capabilities and size represent a problem for many firms on its own, the nail in the coffin for many teams comes from an excess number of manual workarounds or checkpoints in their daily processes. Although there continues to be heavy emphasis on automation and efficiency within the financial realm, conservative technology adoption practices among corporates have prevented many treasury groups from achieving the level of automation they need to adequately perform all their responsibilities. As this reality persists, 57% of practitioners selected manual processes as a top operational challenge for 2019, besting the threat of fraud, rising interest rates, and regulatory change. Banks also recognized this reality with regards to their clients, with 70% labeling manual processes as a top corporate challenge.

Moving forward, the fact that 30% of firms plan to undertake a significant financial technology overhaul in the next two years is a good sign. It is also promising that 64% of corporates plan to utilize SaaS-based fintech solutions for treasury within the next five years, along with 63% for mobile banking apps, 51% for APIs, and 47% for artificial intelligence (AI). Each of these technologies, when leveraged properly, can provide a massive boost for beleaguered practitioners. However, given that much of this adoption is expected to occur several years down the road, there may not be much respite for treasury in the immediate future.

Corporates: What areas represent the TOP operational challenges for your organization in 2019? (Select all that apply)



As Corporates Hold Off on Tech Adoption, Manual Processes Bog Them Down: *While corporates continue to remain hesitant in adopting new technology, manual processes have been identified as the top operational challenge for organizations in 2019.*

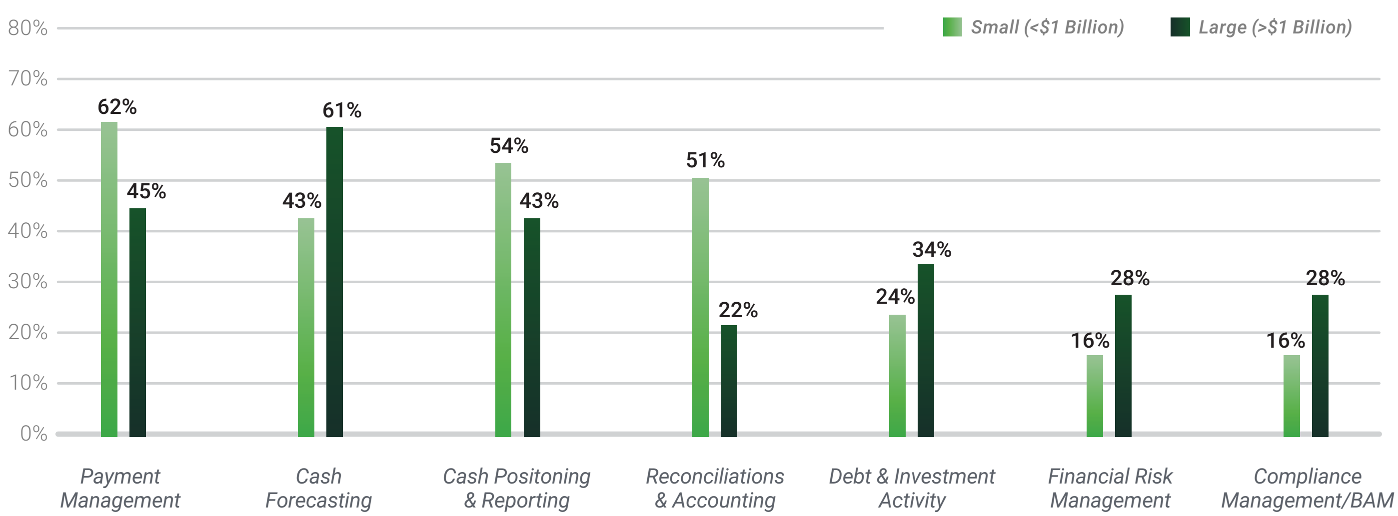
6] *Payments & Forecasting are Time Consuming*

While manual processes continue to represent a top corporate challenge generally, the issue tends to manifest itself more prominently within certain treasury functions. For instance, bank relationship management is typically not as impeded by manual processes as, say, cash forecasting. This reality was highlighted through the survey by examining the specific areas of treasury operations that were labeled as most time consuming. The results saw practitioners select payment management, cash forecasting, and cash reporting more frequently than any other functions.

Given that these three areas tend to serve as the core responsibilities for treasury, the allocation of time toward them makes sense and this data alone does not mean these functions are the most manually problematic. However, given current staffing constraints and clear issues with manual processes, there is no denying that the workflows associated with these areas could use further automation/efficiency. With more than one-third of treasury groups not having time to perform all their responsibilities *(see page 12)*, streamlining these three core areas could free up essential time for practitioners to focus on more strategic functions. Not surprisingly, data from another recent survey has shown that planned tech spend on cash forecasting and payments is higher than virtually every other category of treasury. This shows that organizations are recognizing the importance of alleviating treasury's strain in these areas and are prioritizing the optimization of payment and forecasting operations above other functions.

A final point of distinction on this subject is that reconciliation and accounting workflows pose a MUCH greater challenge for small firms than large firms. This is most likely due to many small firms lacking the advanced systems that larger companies have for managing these processes, such as an ERP. Without the proper technology stack, reconciliation and accounting workflows are far more disparate and often require heavy manual oversight to ensure accuracy.

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



***Core Treasury Functions Consume Practitioners' Bandwidth:** Given current staffing constraints and clear issues with manual processes, there is no denying that the workflows associated with payments management and cash forecasting could use further automation and optimization within many treasury groups.*

7] *Over One-third of Treasury Groups Can't Perform All Their Duties*

Given what has already been discussed regarding treasury's excessive manual processes and limited staff sizes, it makes sense that many groups would be unable to address all of the tasks they are entrusted with, due simply to time constraints. These scenarios ultimately lead to circumstances where practitioners have no choice but to let certain responsibilities fall to the wayside. As of 2019, this was the reality for a full 34% of treasury practitioners who indicated they do not have time to perform all their duties. For these firms, cash forecasting (46%) and risk management (39%) were the most common functions left unperformed. Compliance and bank account management functions were overlooked by 30%.

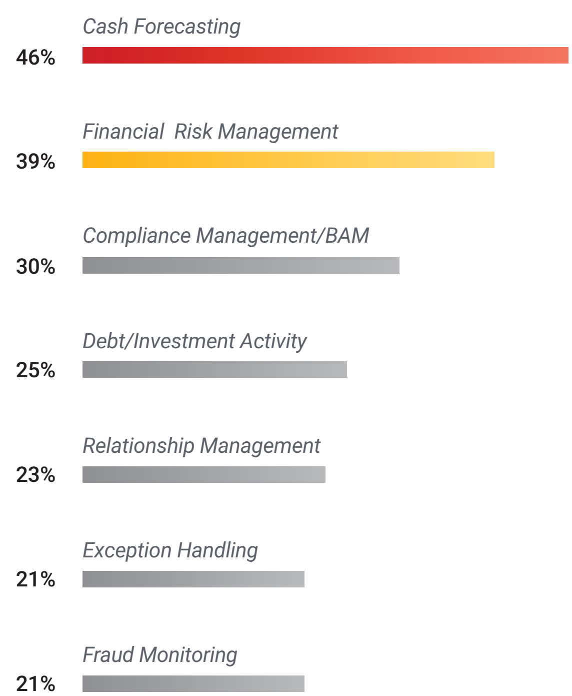
Considering the full survey population, the fact that 16% of treasury groups cannot find time to perform cash forecasts represents a clear industry challenge, as does the fact that 13% of groups skip risk management. However, there is a broader point to be made. Regardless of what function ultimately gets neglected, the important highlight is that one-third of finance professionals can't perform all the responsibilities with which they are entrusted and a significant portion of treasury groups struggle to meet internal workloads and expectations. Unless further attention to and investment in the operational workflows of these groups is achieved, major exposures will begin to appear as unresolved or undiscovered issues culminate.

Corporates: Are there currently any responsibilities you don't have time to perform?

Rising Internal Expectations Beleaguer Treasury: *As of 2019, a full 34% of treasury practitioners indicated they do not have time to perform all their duties. For these firms, cash forecasting (46%) and risk management (39%) were the most common functions left unperformed.*

Corporates: What are these responsibilities? (Select all that apply)

Only top 7 answer choices shown

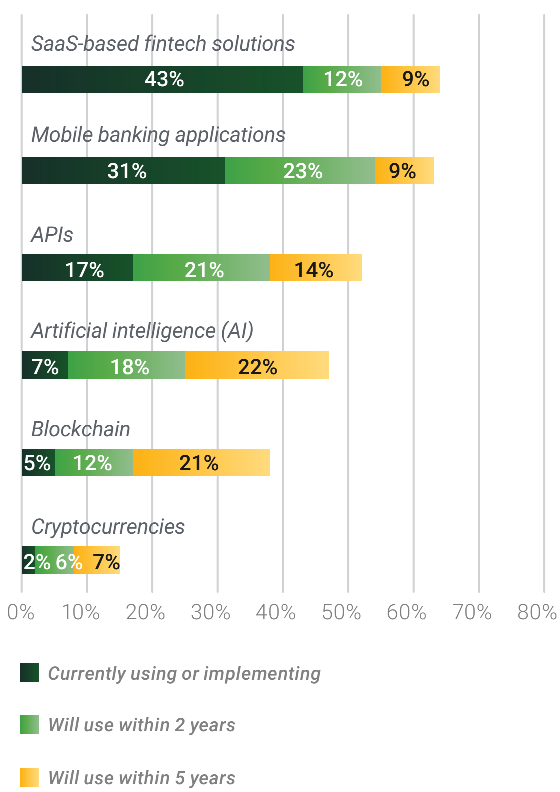


8] Corporates Slowly Applying New Tech

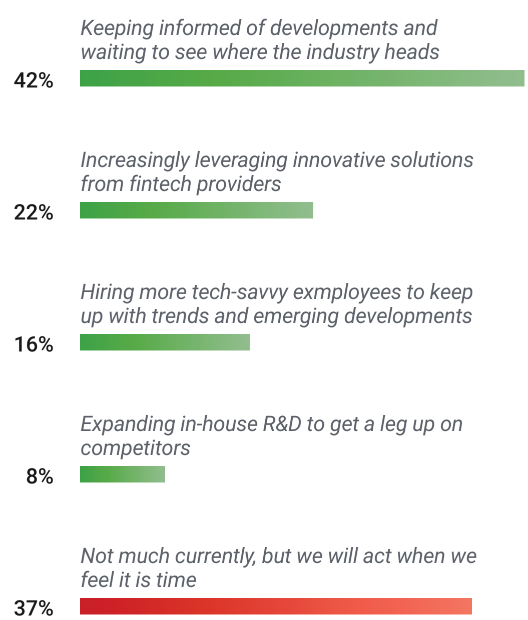
Several of the previous findings in this report point toward the need for enhanced technology within the treasury organization. As it stands, many teams are in dire need of further automation and STP in order to free up time. However, data shows that many corporates in the current environment are not in any hurry to adopt newer or more innovative solutions. While many of the "emerging" technologies that have generated a buzz over the past several years are now available for use within the corporate realm, adoption of these technologies remains low. In fact, technology adoption within treasury as a whole is consistently highlighted as an area where organizations are particularly conservative and cautious. As it stands, just 5% of firms use blockchain in treasury, 7% use AI, and 2% use crypto or digital currencies. Only 17% are knowingly leveraging APIs. Furthermore, when asked how they were preparing for disruption in the industry, 42% of respondents were simply staying informed of developments. Thirty-seven percent stated they were doing nothing or very little to prepare.

While this data indicates a clear passivity on the part of corporates to adopt disruptive technologies, the good news is that a significant portion of firms do plan to begin using these solutions within the next two to five years: 40% more for AI, 35% for APIs, and 33% for blockchain. However, while this outlook is promising, it does nothing to eliminate the immediate problems bogging treasurers down. Although it is understandable that companies would want to wait until a technology has proven its worth before adopting it for themselves, they risk further overburdening their treasury staff as practitioners continue to struggle with managing their ever-growing list of responsibilities.

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



Corporates: How are you preparing for disruption in the treasury/banking industry? (Select all that apply)

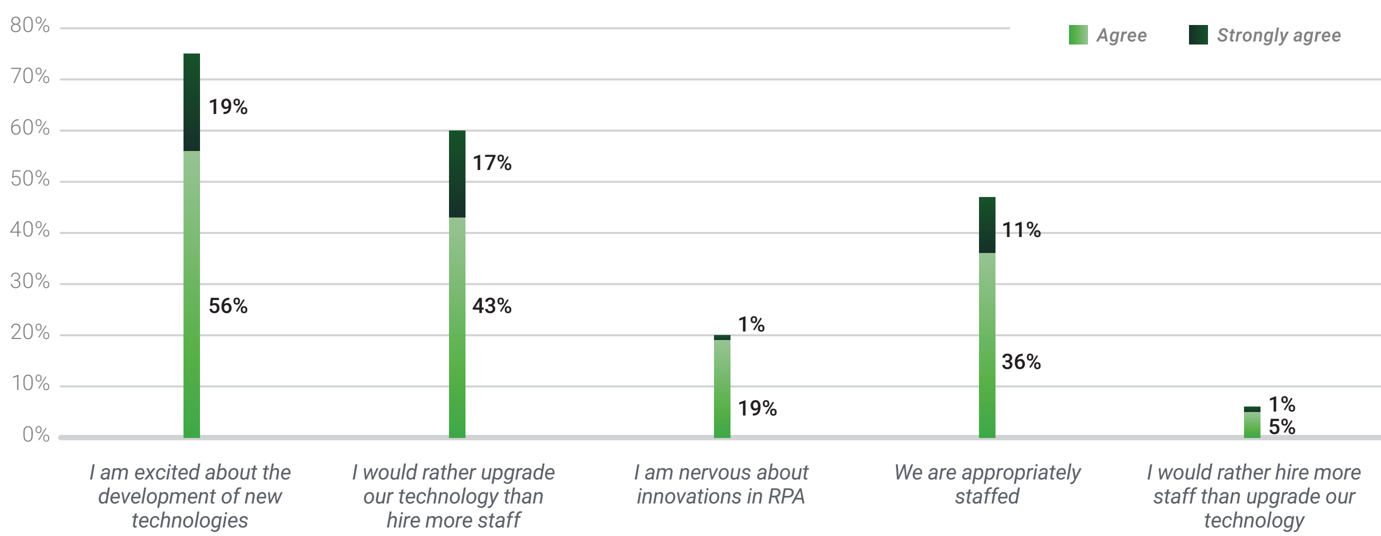


9] Despite Slow Adoption, Corporates are Excited About Emerging Tech

Although corporates continue to lag in the adoption of newer technology, they do see value in these new developments. Despite the sluggish growth we have witnessed, 75% of corporates indicate they are excited about innovation within the technology realm. Additionally, ~8x more practitioners state that they would rather upgrade their technology than hire more staff. These figures show the extent to which treasury groups recognize the need and potential impact of new tech. It also highlights a corporate belief that the value-add for modern technology significantly outweighs the value-add of hiring additional staff. When it comes to actually applying or leveraging new tech, however, there has been little progress. As stated previously, the majority of corporates (42%) are simply keeping informed of new developments rather than acting on them, while 37% are doing very little, but will act when they feel it is time. In terms of actual, concrete steps being taken, 16% of corporates are intentionally hiring more tech-savvy employees and 22% are increasingly leveraging innovative solutions from fintechs.

Despite concerns that businesses are not doing more to prepare for tech disruption or to seriously invest in solutions that can eliminate overburdened treasury teams, conservative corporate attitudes toward technology adoption are nothing new and have been highlighted across numerous Strategic Treasurer studies in recent years. While banks and fintechs must be on the leading edge of innovation in order to stay competitive, corporates are not as incentivized in this regard. Instead, they are more apt to monitor new developments and hold off adoption until further market maturity occurs. They then select the products or services that have proven to be the most viable and sustainable. When viewed in this light, the fact that so many practitioners are excited about new technology bodes well for future adoption, and as market leaders establish themselves in the space, corporates should increasingly leverage their products.

Corporates: Please rank how you feel about each of the following statements:



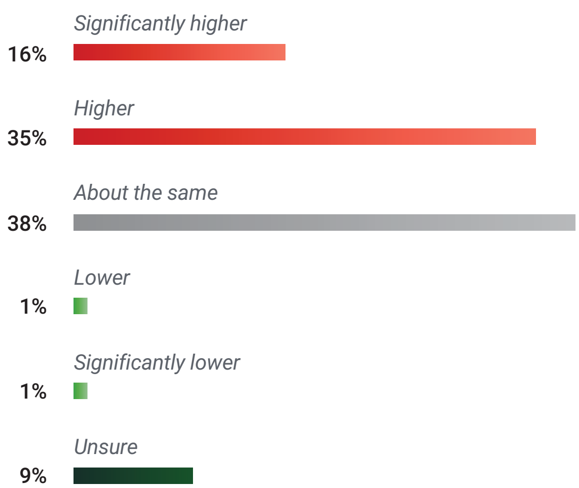
Corporates are Excited, but not Proactive, When it Comes to New Tech: *Despite limited adoption so far, 75% of corporates indicate they are excited about the development of new technologies and ~8x more practitioners would rather upgrade their technology than hire more staff. These figures show the extent to which treasury groups recognize the need for and potential impact of new tech.*

10] *Regulatory Pressure is High & is Expected to Increase*

Since 2008, the level of regulatory oversight levied against corporates and banks has increased dramatically, both in the United States and abroad. In order to cope with elevated criminal and terrorist activity, as well as to address infrastructure issues that led to the financial collapse over a decade ago, governing bodies continue to introduce new regulations and update existing regulations. Major pieces of legislation introduced during this timeframe include Basel III, Dodd-Frank, FATCA, and GDPR, among others. As this heightened regulatory activity has persisted, 51% of corporates now see current levels of regulatory oversight as higher than historical norms, compared with just 2% that see current levels as lower. What's more, 50% also expect continued increases to the scope and reach of regulations, while just 7% expect a decrease. Although the current U.S. regime has indicated they expect to complete a massive overhaul of the existing corporate regulatory framework, practitioners clearly do not anticipate much headway here in the short-term.

Given that compliance is already a top-three area of concern generally for corporates, this outlook is worrisome. Today's compliance landscape is growing incredibly complex. Organizations are expected to adhere to a myriad of shifting requirements, many of which are vague and difficult to understand. This results in an environment that is both time consuming and expensive. In fact, 77% of practitioners indicated that regulations today are costly and 50% see them causing significant delays or obstructions to their operations. Alternatively, just 24% believe new regulations are adding value and only 10% believe they increase efficiency. However, data also exposed the fact that 45% of corporates do not have a dedicated team or established process for managing regulations. If this is indeed the case, then the impetus is on corporates to bring further structure into their compliance management processes, especially given that regulations are expected to continue growing in scope over the next several years.

Corporates: With regard to historical norms, the current level of regulatory oversight and compliance requirements impacting treasury is:



Corporates: In the near future (1-2 Years), I expect the following to be true of the regulatory environment:

Regulatory Oversight is Higher Than Normal & Expected to Increase: *51% of corporates view current levels of regulation as higher than historical norms. Just 2% view current levels as lower. At the same time, 7x more corporates expect an increase in regulation over the next one to two years compared with those expecting a decrease.*

11] *KYC Remains a Top Concern*

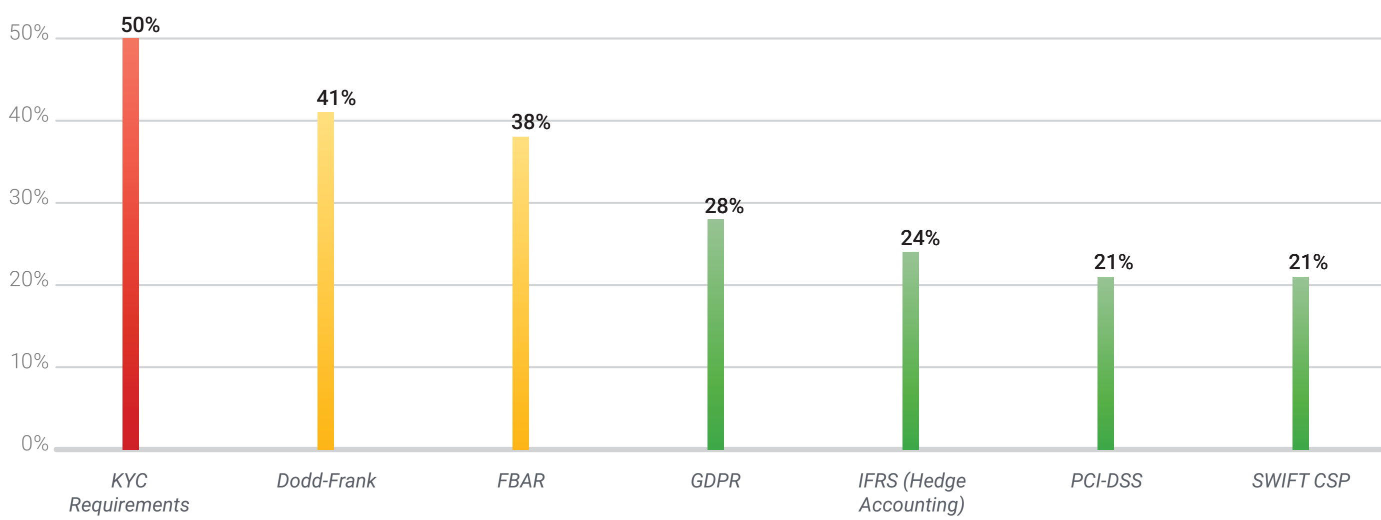
When it comes to determining the impact of specific regulations on the corporate environment, data from the past two years regularly highlights Know-Your-Client (KYC) requirements as a significant concern. This has been true for both companies and banks. While headache and confusion from other new or shifting regulations has been highlighted as well, KYC remains the top compliance concern for corporates over the next 1-3 years (50%), followed by Dodd-Frank (41%) and FBAR (38%).

Although KYC is a regulation that most commonly falls to banks in the form of due diligence as new clients or vendors are onboarded, much of the burden is shared with businesses. This usually comes through lengthy delays during the onboarding process, or via excessive documentation requests being passed along to corporates.

KYC is particularly troublesome for organizations with vendors or partners in developing countries, as these regions pose the greatest threat for banks with regards to violating KYC. Overall, nearly two-thirds of organizations indicate they have been impacted by KYC in one form or another. As part of Strategic Treasurer's *2018 Compliance Survey*, 55% of firms indicated that they have experienced problems and delays for their payments or onboarding processes as a direct result of bank KYC requirements. While there are of course other regulations that cause treasury problems, KYC is clearly an issue that interrupts operations more frequently than others and highlights a strong need for the optimization of these workflows moving forward.

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

Only top 7 answer choices shown



***A Bank Regulation, a Corporate Concern:** While KYC requirements primarily impact banks when onboarding new clients, much of the headache associated with this due diligence carries over to corporates in the form of timely onboarding and hefty documentation requirements.*

TREASURY ACTION ITEMS

The treasury landscape is shifting on multiple fronts. On one hand, major economic changes including rising interest rates are pushing many practitioners to alter their borrowing and lending strategies, and other potential events including an escalation of trade conflict could require further adjustments. At the same time, the steady rise of new technologies, from AI to mobile banking, are gradually disrupting the standard workflows and processes through which treasurers operate. Finally, as the regulatory landscape broadens in scope, firms are finding it increasingly costly and time consuming to remain compliant across every area. In light of these changes, treasury should strongly consider the following list of action items in order to stay abreast of major industrial, technological, and operational changes.

1 PAY OFF YOUR DEBT

Interest rates are at their highest point in over a decade and there is a potential for more hikes. For firms that borrowed heavily during interest-free periods, excessive debt can now cause a greater drain on liquidity as the cost of borrowing rises. In light of this reality, debt repayment was listed as the highest planned use for excess cash by corporates in 2019 and should be a serious focus for businesses that borrow regularly, especially with more rate hikes potentially on the way.

2 REEVALUATE YOUR VENDOR NETWORK

While global trade conflicts might yet work themselves out, there is still the possibility of an escalation that could severely damage international supply chains. And although two-thirds of corporates have yet to recognize any significant impact from these conflicts, understanding your vulnerability in this arena and identifying alternative markets or supply sources is highly recommended until more about the situation becomes clear..

3 UNDERSTAND THE IMPLICATIONS OF MAJOR TECHNOLOGY SHIFTS

The technology landscape has been disrupted by innovations like AI, blockchain, and APIs. Even if treasury isn't ready to adopt any of these components, practitioners need to be aware of their anticipated application and begin mapping out what it would look like to effectively leverage them. Treasury should start by asking themselves "How can applying a technology like AI or blockchain optimize a function I currently struggle to perform? What type of data or structure would the solution require in order to effectively run, and how would it integrate or coincide with our existing tech architecture?"

4 RECOGNIZE THE NECESSITY OF REGULAR SYSTEM UPGRADES

Although treasury continues to struggle with manual processes and a lack of automation, many organizations lack the budget, time, or knowledge necessary to effectively upgrade their technology. However, the gradual "democratization of technology" is creating an environment where enhanced solutions are available to companies of all sizes at increasingly competitive price points. If organizations make the effort to better understand and strategically leverage new solutions, treasury's daily routine could be transformed. And with more than one-third of practitioners currently unable to perform all their roles, organizations that don't upgrade are only putting themselves farther behind.

5 YOU CAN'T AVOID COMPLIANCE FOREVER

Today, there are dozens of regulations that directly impact treasury, many of which include hefty penalties for non-compliance or negligence. And while half of corporates believe that regulations will continue increasing in complexity and scope, a full 45% of firms indicate they currently have no established process for monitoring regulations or managing new ones. While compliance may not be treasury's top priority, groups cannot simply avoid these requirements. Compliance must be formally recognized as a responsibility by treasury, and treasury must either assign employees and systems to monitor and manage regulations, or outsource the function to experts. Failure to do so puts the organization at serious risk.

Have a question? Contact an expert!

TD Bank
thomas.gregory@TD.com

Strategic Treasurer
Consultants in Treasury
info@strategictreasurer.com

ABOUT THE ORGANIZATIONS

TD Bank

The Toronto-Dominion Bank and its subsidiaries are collectively known as TD Bank Group ("TD" or the "Bank"). TD is the sixth largest bank in North America by branches and serves more than 25 million customers in three key businesses operating in a number of locations in financial centres around the globe: Canadian Retail, including TD Canada Trust, TD Auto Finance Canada, TD Wealth (Canada), TD Direct Investing, and TD Insurance; U.S. Retail, including TD Bank, America's Most Convenient Bank®, TD Auto Finance U.S., TD Wealth (U.S.), and an investment in TD Ameritrade; and Wholesale Banking, including TD Securities. TD also ranks among the world's leading online financial services firms, with more than 12 million active online and mobile customers. TD had CDN$1.3 trillion in assets on January 31, 2019. The Toronto-Dominion Bank trades under the symbol "TD" on the Toronto and New York Stock Exchanges. For more information visit *www.TD.com.*

TD Bank

+1 888.388.0408
TD.com
thomas.gregory@TD.com

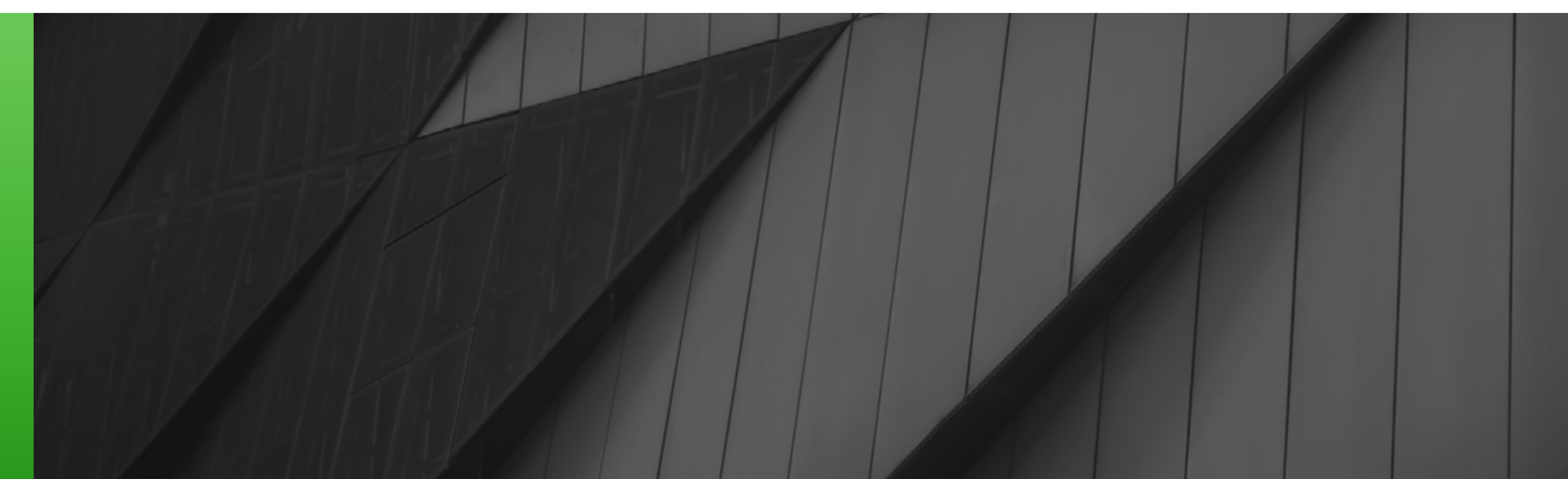
Strategic Treasurer

Strategic Treasurer was founded in 2004 by Craig Jeffery, a financial expert and trusted advisor to executive treasury teams since the early 1990s. Partners and associates of Strategic Treasurer span the US, the UK, and continental Europe.

This team of experienced treasury specialists are widely recognized and respected leaders in treasury. Known for their expertise in treasury technology, risk management, and working capital as well as other cash management and banking operations, they efficiently identify issues, creatively explore ideas and options, and provide effective solutions and implementations for their valued clients. For more information visit *www.strategictreasurer.com.*

STRATEGIC TREASURER
Consultants in Treasury

+1 678.466.2220
strategictreasurer.com
info@strategictreasurer.com



TD Bank

+1 888.388.0408
TD.com

Strategic Treasurer
Consultants in Treasury

+1 678.466.2220
strategictreasurer.com