

High Speed Risk Management Session

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Panel

- Chair – Dane Birdseye, Group Treasurer, Cochlear Ltd
- Richard Humphreys, Global Treasurer, Flight Centre Travel Group
- Richard Harvey, Head of Treasury, CBH Grain
- Carol Lydford, Treasurer, Toyota Australia Financial Services
- Stephen Cheesewright, Director Risk Consulting, KPMG

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Richard Humphreys

Global Treasurer, Flight Centre Travel Group



- Richard has over 20 years experience in Treasury, including 10 years in his current role.
- His previous Treasury roles were with Rio Tinto in London and Melbourne (5 yrs as Principal Advisor - Global Treasury Operations) and BT (6 yrs Assistant Treasurer - International) in London.
- Richard is responsible for financial and risk management of FCTG, and leads a team of 16 people operating a centralised Treasury function from Brisbane, overseeing all funding and investment activities, FX and interest rate hedging, transactional banking and payments and collection strategies as well as financial crime compliance for the Group.
- Richard is a Fellow of the Association of Corporate Treasurers (UK) and the Finance & Treasury Association (Australia) and CIMA qualified after completing an Economics degree

Richard Harvey Head of Treasury CBH Limited



- 31 Years Treasury and Financial Markets experience including roles as precious metals and currencies trader, corporate treasury advisory, dealing in interest rates, foreign exchange and commodities for domestic banks, managing market risk
- Last eight years running the treasury and credit departments for CBH.

Carol Lydford

Treasurer at Toyota Finance Australia



- Toyota Finance is a leading provider of vehicle financing and insurance products in Australia.
- Carol is responsible for the liquidity and financial & interest rate risk of the company, which includes management of a \$18bn debt portfolio.
- Prior to this, Carol held a number of senior positions in treasury, regulatory and finance in the Energy Industry.
- At Toyota, Carol is Chair of the Gender Balance Committee and Chair of the Asset & Liability Committee, and is a member of the Toyota Financial Services Global Funding Coordination Committee.
- Carol is a Director of Toyota Super Pty Ltd, the Toyota Super Fund which provides superannuation products for Toyota employees and family members.

Stephen Cheesewright

Director, KPMG



- Stephen has over 30 years accounting and treasury experience and is a Director in the Financial Risk Management Group within KPMG.
- He is KPMG's technical leader in the KPMG Asia Pacific practice, on Treasury and Finance issues.
- Stephen is the past chairman of CPA Australia's Finance and Treasury Centre of Excellence. Stephen has also led the treasury module for the Master of Applied Finance, University of Melbourne.
- Stephen has hands-on treasury management experience and has worked in Australia, New Zealand, Malaysia, Hong Kong, Singapore, Thailand, South Africa, PNG, Fiji and Indonesia.
- He has extensive experience in the government, corporate and banking sectors.
- He has completed assignments with all four major Australian trading banks and many other financial service organisations. He has conducted reviews and or provided advice to many top Australian companies and government entities.
- He has developed treasury thought leadership which has been published by professional bodies, some of which is now widely used.
- He also co-facilitates the KPMG/FTA 3 day treasury course.

Questions taken from:

- Deloitte – 2017 Global Corporate Treasury Survey
- HSBC – 2018 Risk Management Survey
- Audience participation

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Deloitte – 2017 Global Corporate Treasury Survey

Risk Management

- Over 50% of Treasurers noted that FX volatility is their biggest challenge.
- Other challenges are:
 - 43% - visibility into global operations, cash and financial risk exposures
 - 40% - cash repatriation
 - 39% - liquidity management
 - 31% - emerging market operations (managing within restricted markets)

(multiple selections were possible)

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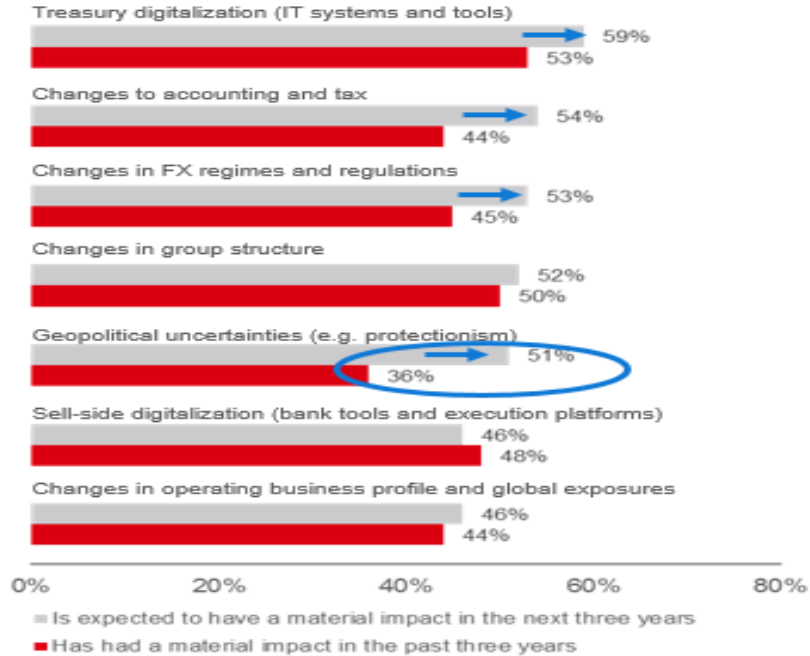
HSBC – 2018 Risk Management Survey

Risk Management CFO's perspective

- 58% of large company (\$US5bn+) CFO's say FXRM occupies most of their time, followed by:
 - 32% for Liquidity risk, 28% for Interest Rate risk, 31% for Commodity Price risk, 19% for Operational risk, 17% for Country/Political risk, 15% for Counterparty risk
- 72% of Treasurers say FXRM is one of the most important aspects of their job.

HSBC – 2018 Risk Management Survey

Trends



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Deloitte – 2017 Global Corporate Treasury Survey

Risk Measurement

- 75% of respondents are not actively monitoring key risks using 'at risk' measures (ie: CFaR, VaR, EaR).
- Fewer than 50% actively undertake sensitivity analysis or stress testing despite wide availability of systems and models.

Deloitte – 2017 Global Corporate Treasury Survey

Technology

- Survey revealed that systems are not being fully leveraged to support the whole of Treasury function.
- 30% of respondents cited insufficient technology infrastructure to support their department.

Deloitte – 2017 Global Corporate Treasury Survey

Working Capital Management

- Survey revealed that there is an increasing trend for Treasurers to lead working capital improvement initiatives.
- WCM, is evolving into a collaboration with Finance to manage day-to-day funding for the whole of company

Strategic v Operational/Tactical

- 87% of CFO's in larger businesses say their treasury plays a key role in strategic decision making.
- 43% of CFO's globally (58% for larger companies, 25% for APAC CFO's) have complete confidence that their treasury department has all the skills necessary to play that role
- CFO's expect their Treasurer to react to more risks in a faster and more efficient way. Treasurers need to be both a risk manager and a strategic partner.
- 38% of treasurers say risk management is the most important area in which they would like to develop further expertise.

Questions
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Resourcing

- 60% of CFOs in larger businesses say treasury has received either no additional resources or they have been cut in the past two years
- 77% of CFOs in larger businesses expect treasury resources to increase over the next two years
- 75% of CFOs in larger businesses (63% in smaller businesses) have already outsourced some day-to-day treasury functions, or considering it, to free up treasury staff for more value-added work

Thank you

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