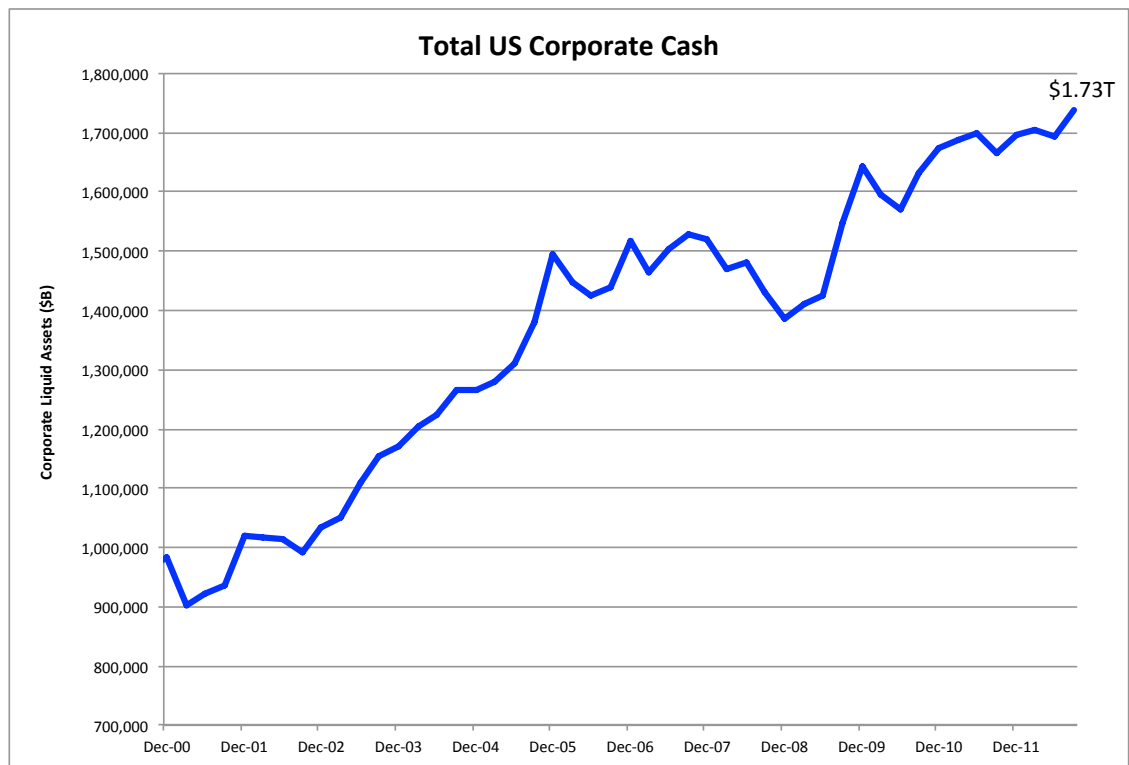


December 6, 2012

**U.S. Corporate Cash Increases 2.5% in 3Q 2012 to \$1.73 Trillion.**

The Federal Reserve announced today that corporate cash levels in the U.S. have increased 2.5% in 3Q 2012 to \$1.73 trillion. Over the past four years, corporate cash has increased by \$304 billion or over 20%.

Corporate cash, as a percentage of US GDP, appears more stable. It remains at 11% of GDP, only slightly above its long-term average.



Treasurers are concerned about both the economic outlook and the regulatory outlook. As a result, caution prevails. On the one hand, it is difficult to resist borrowing in this current ultra-low interest rate environment. On the other hand, there are few places to park this money while it awaits investment in the business.

Corporate treasurers remain concerned about the potential expiration of unlimited FDIC insurance, money market fund regulation, Basel III, Eurozone risk, and counterparty risk. In anticipation of the near tripling of tax rates on dividends in the U.S., companies are already increasing their dividends, accelerating January dividend payments into 2012 and paying one-time special dividends.

While unlimited FDIC insurance is set to expire in the U.S. at the end of 2012, Senate Majority leader Harry Reid (D) introduced legislation that would extend the unlimited insurance for another 2 years.

Corporate treasurers should continue to review their counterparty exposure with banks and other financial institutions, because Congress may not approve the extension by the end of the year.

Within the next few weeks, the Bank of England and the European Central Bank will release their corresponding statistics. Treasury Strategies will analyze those numbers and present the findings in our upcoming Quarterly Corporate Cash Briefing.

**To learn more about these “game changers” join Treasury Strategies on Thursday, January 10 at 8:30am CT for our Quarterly Corporate Cash Briefing.**

During this 30-minute briefing, we'll cover the results of Treasury Strategies' ongoing conversations with our clients, and the latest government statistics on corporate cash holdings. Information from this webinar will help you understand the implications of corporate cash levels and give you insights on how to manage your business.

[Click here](#) to register for the briefing.

If you have any questions, please [email us](#).

Treasury Strategies is the leading treasury consulting firm working with corporations and financial service providers. Our experience and thought leadership in treasury management, working capital management, liquidity and payments, combined with our comprehensive view of the market rewards you with a unique perspective, unparalleled insights, and actionable solutions.