

SUSTAINABLE TREASURY MANAGEMENT: TRENDS, SUCCESSSES AND CHALLENGES



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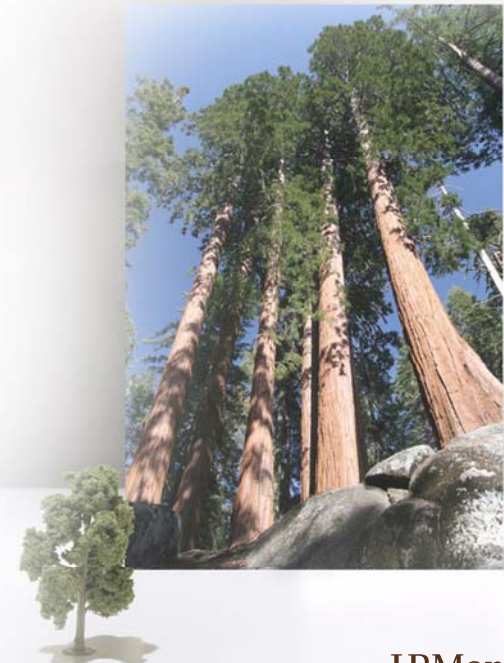
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Corporate environmental sustainability

As one of the world's leading financial institutions, J.P. Morgan is committed to building sustainable practices within our business and our clients' businesses.

- Minimize the firm's own environmental impact
- Help clients address the challenges and opportunities of global climate change and environmental sustainability
- Invest in and support emerging renewable/clean energy and energy-efficient technologies
- Engage and inform key policy makers and regulators on energy and sustainability-related issues
- Incorporate environmental and social factors into banking transaction analysis and decision making

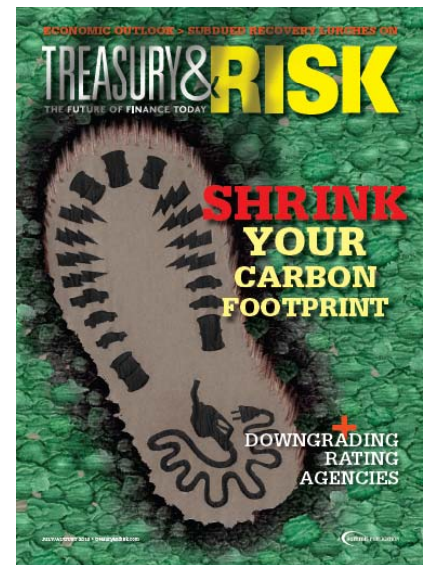




Companies have vibrant green treasury strategies

More than 200 financial executives responded to *Treasury & Risk's* Going Green survey in July/August. Below are some of the findings:

- Almost 80% said green strategies **have saved or are expected to save their company money**
- 54% saw “**improved risk, business continuity**” due to the move from paper to electronics
- 76% said they have **operational constraints** that prevent them from realizing a fully green treasury



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4 key themes of a green treasury

- **Cost reductions and efficiencies**
 - Reduce duplicative fees
 - Reduce or eliminate nonbank fees or write-offs
 - Create “found money” for new services or features
- **Risk mitigation/business continuity improvements**
 - Electronic controls of sensitive data (corporate and client)
 - Ease in retrieval of data and portability of applications in disaster recovery and business continuity scenarios
- **Enhanced workflow efficiencies**
 - Improved research and customer service
 - Audit information/access via electronic portals
- **Complement corporate sustainability program goals and objectives**
 - Financing of environmentally positive businesses (renewable energy, LEED-rated buildings, etc.)
 - Meeting carbon emission mandates
 - Encouraging global corporate programs





Go Green trends

- Treasury programs contributing to broader corporate goals
 - Cisco, Ford and Wal-Mart
 - Reduce or eliminate analysis and nonbank fees or write-offs
 - Create “found money” for new services or features
- Retro-fitting core treasury decisions as environmentally strategic
 - Tapping into corporate funding and/or campaigns to move treasury opportunities along
 - RFPs that require vendor compliance with Go Green objectives
 - Promotion of Go Green model as a differentiator for clients
- Banking products defaulting to electronic platforms
 - Need to “ask” for the paper
 - Fees associated with paper versus electronic alternatives





Go Green successes

- 141 million documents reduced by 12/10 across 11 products
 - ~3.9MM pounds of paper usage reduced
 - 47K trees preserved, roughly 4X the size of New York City
 - 69MM pounds of greenhouse gasses reduced
- Win-Win-Win
 - Reduced millions of dollars in fees for clients
 - Increased efficiency and profitability for core treasury services
 - Reduced carbon footprint and assisted clients in meeting their own sustainability program goals
- Improved business processes by converting clients from paper-based to electronic processes
 - Improved disaster recovery by electronifying processes
 - Helped mitigate risk exposure to critical client data
 - Reduced business cycle time by providing electronic reporting
 - Eliminated costs for document storage and retrieval
 - Improving working capital by accelerating receivables
 - Helped clients improve the way they do business at little or no cost to them





Go Green challenges

- Legal constraints on documentation and/or archiving
 - Industry or Audit requirements and standards
 - eBAM and other imaging solutions for document negotiation
- Operational obstacles or cost to move to an electronic target state
 - IT resources to implement new platforms are at a premium
 - Negative workflow and consumer service impacts in short term
 - Upfront Infrastructure costs (PCs, software, etc.)
- Is there a suitable electronic alternative for our needs?
 - Implementation documents and signature requirements are an opportunity
 - Customization of software/products to serve informational needs





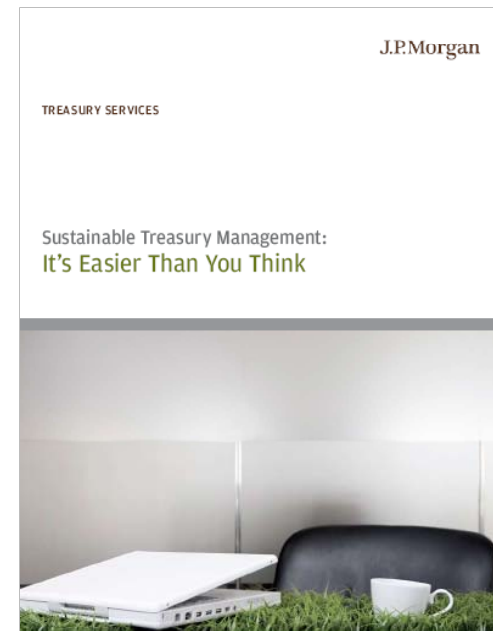
Resources to help your treasury go green

Visit www.jpmorgan.com/eco to

- Learn more about best practices in greening your treasury by downloading our white paper: *Sustainable Treasury Management: It's Easier Than You Think*
- Access Eco Analysis calculators to see how your organization's treasury can benefit by going green
- Learn about J.P. Morgan's eco-friendly treasury solutions

Visit www.treasuryandrisk.com/webseminars

to download audio and see presentations on "The Road to A Green Treasury...."





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