

The Year in Review and Numbers

Graham Buck, gtnews - Neil Ainger, gtnews - 18 December 2012

As 2012 draws to a close, minds naturally turn towards the most significant treasury and finance events of the year and its standout stories and numbers, such as the on-going eurozone crisis and the growth in cash reserves. In this spirit of yuletide reflection, gtnews looks back on some of the stories and figures of the past 12 months.

As the geese start getting fat, the lords-a-leaping, and partridges take to living in a pear tree – if the old English carol is to be believed – then it can mean only one thing: the end of the year is upon us and Christmas is around the corner. It is an appropriate time, therefore, to reflect upon the big stories and numbers of 2012.

In no particular order, here are some of the things that caught the eye of gtnews' editorial staff during 2012:

- **Two** – Number of Greek bailouts so far. The first EUR110bn bailout from 2010 wasn't enough, so another EUR130bn followed this year and private creditors agreed to 'take a haircut' on how much they expected to get back from the debt-ridden country. Will all this be enough to stop a Greek exit from the eurozone and calm fears about sovereign debt in Europe? Unlikely, but it has gained time and the story has become less urgent throughout the year, although fears about 'contagion' spreading to Spain, Italy, Portugal and other European nations are still prevalent. Just look at the downgrades from the credit ratings agencies (CRAs). With France downgraded and the UK recently warned about its future prospects it seems the eurozone crisis still has some distance left to run. Thankfully, treasurers have had enough time to make contingency plans.
- **One – single banking union.** The eurozone's answer to the debt crisis at its banks and governments has been 'more Europe, not less' so the centralised institutions such as the European Central Bank (ECB) have been strengthened and more harmonised powers are on the way, principally via the planned [single banking union](#).
- **£20m** – The amount Starbucks agreed to voluntarily pay the UK tax authorities after coming under fierce attack for only paying corporation tax once during 15 years of operation in the country, igniting a national debate about the [cross-border tax practices of multinational corporations](#). Reports show that the US coffee chain has generated more than £3bn sales in the UK since opening its first British branch in 1998. Over that period it has paid just £8.6m in corporation tax, and nothing in the past three years.
- **40%** – The number of US corporations surveyed in the Association for Financial Professionals (AFP) quarterly [Corporate Cash Indicators \(CCI\) survey](#) of large firms for Q312 which said they were now building cash reserves, when they hadn't last year. The 40% comparative increase is due to worries about the US fiscal cliff, the impending US election at that time [since resolved of course with President Obama's re-election] and general fears about a slowing global economy.
- **1.7%** – Predicted US economic growth according to the '[AFP 2013 Business Outlook Survey](#)'.
- **Ten** – Winners of the 2012 gtnews Global Awards for Corporate Treasury. Click on the link below to download the [gtnews Awards Winners Book 2012](#), which contains case studies on all of the winning entries this year. Coincidentally, the best read gtnews stories of 2012 were our series of case studies based upon these projects, with the premier rated story being about how [Microsoft](#) introduced a completely automated international zero balance account (ZBA) structure into its global liquidity management function.

- **\$452.5m** – Amount Barclays was fined for the Libor scandal by US and UK regulators for fixing the London Interbank Offered Rate (Libor), which sets the rate at which banks borrow from each other. It also acts as a base for business loans, of course, and as an underpinning for trillions of dollars' worth of derivatives contracts used by corporate treasurers around the world. The scandal cost ex-chief executive Bob Diamond his job at Barclays, caused the [UK Wheatley reform proposals](#), and many more banks will yet be dragged into the scandal. Other significant fines of the year included [Standard Chartered](#) bank and [HSBC](#), which have respectively been fined US\$340m and US\$700m, rising to US\$1.5bn, by US authorities for allowing banned Iranian transactions to pass and Mexican drug cartel money to be laundered. [UBS](#) also got hit with a £29.7m fine by the Financial Services Authority (FSA) for the rogue trading of Kweki Adoboli, which more importantly caused a £1.4bn loss at the bank and its [exit](#) from fixed income trading.
- **1,700** – Registrants from Japan alone at Sibos 2012, which [gtnews' Asia Bureau Chief, Richard Hartung](#), produced a daily show blog from. Numbers were generally down, however, with less actual attendees than normal and the [withdrawal of Chinese banks](#) from the show, but Hartung [concluded](#) that regulations, technology and cash were all still key topics for those attending the corporate streams. Look out for Hartung's

regular [gtnews' Asia Bulletin](#) on the third Thursday of every month in 2013, covering all the latest news and developments from China and elsewhere in the region from his base in Singapore.

- **\$1.73 trillion** – Amount of [cash held by US corporations](#) at the end of Q312, according to the US Federal Reserve, which reported that the total has risen by more than 20%, or \$304bn, since the financial crisis began in 2008.
- **\$8.8bn** – Total, comprising a \$5bn writedown plus a further \$3.8bn for loss of expected revenues, that [Hewlett-Packard](#) claims that it has lost as a result of “serious accounting improprieties” relating to its \$11.1bn acquisition of UK rival, Autonomy, in October 2011.
- **\$67 trillion** – Value of the [shadow banking industry](#), according to a report issued in November by the Financial Stability Board (FSB); representing a \$6 trillion increase on its previous estimate.

The above are just a selection of some of the stories covered by [gtnews](#) throughout 2012, alongside our show reports from EuroFinance, Sibos and the [AFP Conference 2012](#) and numerous [video](#) interviews and [best practice](#) corporate treasurer interviews, which can all be accessed via the [homepage](#) and our database search functionality. The [gtnews](#) editorial team hopes you have a good Christmas break and looks forward to covering all the latest industry news, trends and developments in 2013.



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Neil Ainger is editor-in-chief at [gtnews](#), having joined the title in January 2012. He maintains a keen interest in technology and banking, especially in the payments and mobile fields, having previously been the deputy editor at [Banking Technology](#) and editor of [FSTech](#). Ainger has a BA (Hons) in English from Leeds University, UK, and has also worked at Reed Elsevier and on internal publications for BT Global, PwC and Lucent Communications (in NYC), having been employed as a journalist since graduating in 1995.

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