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INFORMATION



Optimizing Cross-Border Banking Between Canada and the US

Robert Forsyth
Director of Treasury
Impark

Andy Yeates
SVP Payments and Cash Management
Head of Global Bank & Commercial Banking Sales
HSBC Bank USA

Brian Ford
VP Payments and Cash Management
Head of Global Bank & Commercial Banking Sales
HSBC Bank Canada

Agenda: Canada and the US

- Learning Objectives
- Impark Company Profile
- Economic Comparison
- Banking Landscape
- Regulatory Environment
- Liquidity
- Clearing Systems
- Future Payment Trends
- Key Learnings

Learning Objectives

- Understand how key differences between the Canadian and US Banking Systems shape different approaches to cash management
- Understand strengths of each system to enhance the effectiveness of your cross-border treasury operations
- Recognize the impact of future changes to cross-border banking services
- Understand best practices and identify opportunities to optimize cross-border operations

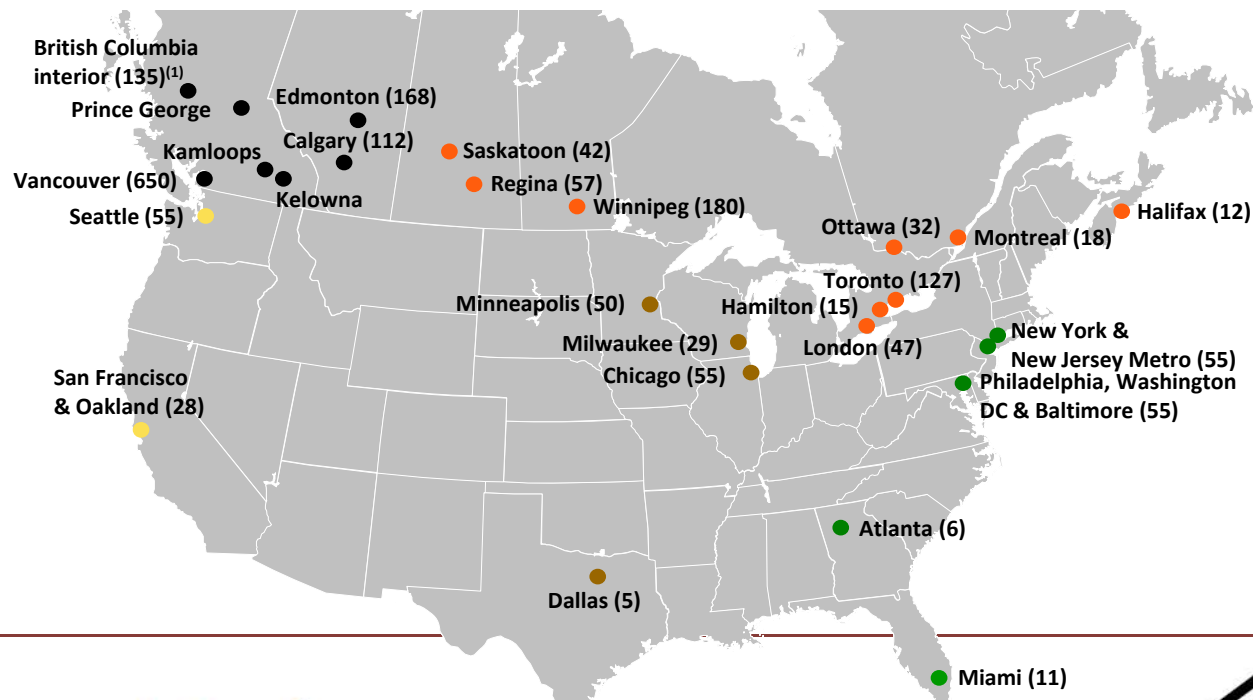
Impark: Overview

- North American industry leader
- Founded in 1962 and headquartered in Vancouver
- Operates in 26 major North American cities
- Largest operator in Canada
- 2,005 facilities
- Industry leader in service delivery
- Industry leader in technology deployment with over 50% of facilities unmanned



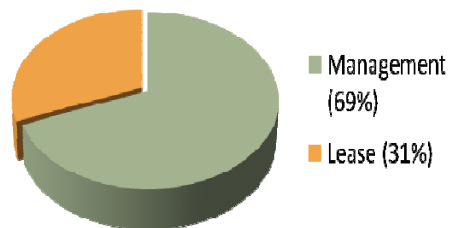
Impark: Geographic Diversity

- **Continent-wide footprint:**
 - Operate 2,005 facilities across 26 major North American cities
 - Strong geographic diversity across large and medium sized cities throughout Canada and the United States
- **Current Impark Geographic Footprint:**



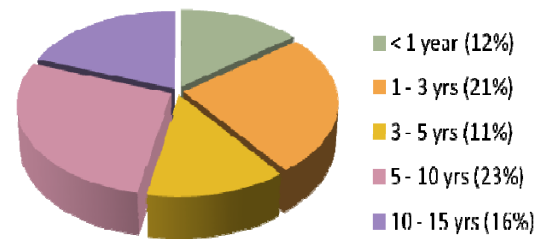
Impark: Stable Contract Mix

Contract Mix



- **Management Contracts (69%)**
 - Impark passes on the majority of revenue/cost risks to property owner
- **Leases (31%)**
 - Upside opportunity in earnings participation, and rate and throughput increases

Contract Profile

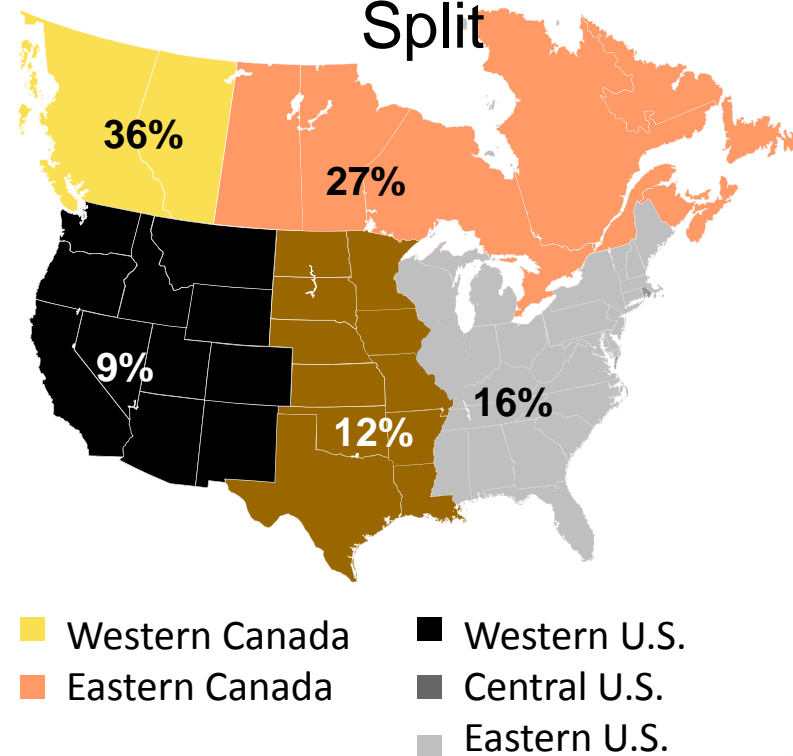


- Agreement terms range from 3 – 10 years
- Client relationships of 7.2 years for management contracts and 9.7 years for leases
- Over one-third of Impark's contract relationships exceed 10 years
- Some relationships reach as long as 20+ years

Impark: Operational Diversity

- Blue-chip client base includes:
 - Corporations
 - REITs
 - Property developers
 - Hospitality operators
 - Universities
 - Healthcare organizations
 - Government institutions
 - Major league Sports Stadiums
 - Long-lasting client relationships with 33% of all contracts exceeding 10 years

2009 Geographic Revenue Split



Note: Regional figures as of December 31, 2007.

Economic Comparison

CANADA	US
Incremental economic growth	Uneven economic recovery
Policy rates moving higher but extraordinarily accommodative • Prime rate currently at 3.00%	Low interest rates expected to continue • US Prime Rate is 3.25%
Robust job creation – although unemployment rates remain elevated	Unemployment still a significant challenge
Recovering corporate profits and strong balance sheets	Mixed results for corporate profits
CAD/USD elevated but stable	Volatile dollar
New build and existing home sales activity is moderating. Prices are holding although some moderate softening expected.	Housing construction and sales remain depressed

Economic Comparison

CANADA	US
Steady income growth <ul style="list-style-type: none"> Household debt to disposable income at all-time highs Savings rates at very low levels 	Sluggish income growth <ul style="list-style-type: none"> Disposable household income decreasing High household debt
Growing business investment, widening trade deficit	Slower inventory growth and wider trade deficit
Inflation below target but stable	Possibly moving towards deflation
Federal debt to GDP half the G7 average.	Significant and increasing government debt due to stimulus

Banking Landscape

CANADA	US
Financial Industry > \$2 trillion in assets	Financial Industry > \$12.6 trillion in assets
Top 5 financial institutions hold approx. 80% assets	Top 5 financial institutions hold approx. 30% assets
11 direct clearers + Bank of Canada	Thousands of participants + Federal Reserve
Complete geographic coverage	National coverage, but segmented geographic footprint
Approximately 130 deposit-taking institutions	Approximately 10,000+ financial institutions
Most FIs outsource cheque and lockbox processing to 3 rd parties	FIs may utilize 3 rd party providers & partners for cash management services

Banking Landscape

CANADA	US
CPA utilizes 6 national clearing points	Federal Reserve has 1 check clearing center
No national image exchange in Canada (some FIs exchange images on a proprietary basis)	Check 21 image capture + exchange
Large % of items cleared are electronic payments	Large % of items cleared are checks
One centralized cheque clearing system	A number of options for checks clearing (federal reserve and local clearing house arrangements)
Same day value for CAD items deposited across 6 time zones	Multiple days for clearing (one to two is the norm)
Overnight clearing of cheque	Defined "business day" clearing times

Banking Landscape: Payment Systems

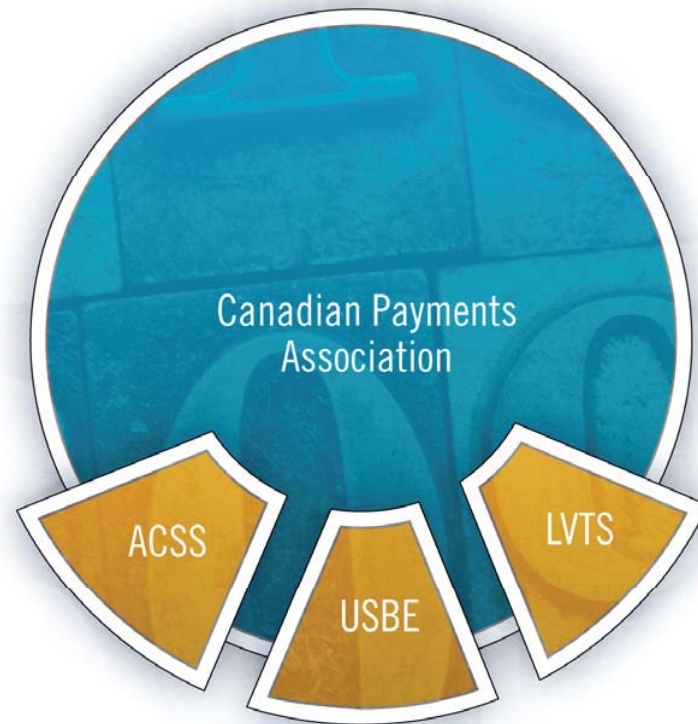
CANADA	US
<p>LVTS (Large Value Transfer System)</p> <ul style="list-style-type: none"> • Canada's RTGS systems • Used for CAD wires – high value, same-day, urgent customer and bank to bank transfers • 14 direct bank participants 	<p>Fedwire Funds Transfer system</p> <ul style="list-style-type: none"> • Real-time gross settlement for high value/time-critical financial/commercial • Processes high value USD credit transfers • Interbank and third-party transfers
<p>ACSS (Automated Clearing Settlement System)</p> <ul style="list-style-type: none"> • Deferred net settlement system • Processes CAD cheques, EDI, low value credit and debit transfers, etc. • 11 participants • 99% of daily transaction volume is cleared through ACSS, these transactions represent just 10% of the total value cleared 	<p>ACH (Automated Clearing House)</p> <ul style="list-style-type: none"> • Most widely used electronic funds transfer system for ACH credit and debit transactions • Two operators: Federal Reserve system (FedACH), Electronic Payments Network (EPN) • Used for batches of lower-value credit and debit transfers; payroll, collections, EDI, WEB, TEL, XBR and check conversion (ARC & BOC) payments

Banking Landscape: Payment Systems

CANADA	US
<p>USBE (US Dollar Bulk Exchange)</p> <ul style="list-style-type: none"> • Next day (ACH style) settlement of USD items (check & EFT) between CDN banks • Positions settled through US correspondents 	<p>CHIPS (Clearing House Interbank System)</p> <ul style="list-style-type: none"> • Bilateral/Multilateral netting system for USD FX settlements, financial settlements (loan and interest payments), commercial and treasury payments • Principally for Int'l USD credit transfers • Clear high value interbank transfers
<p>CCIN (Bill Payments)</p> <ul style="list-style-type: none"> • Centralized bill payment reporting used by all direct clearers 	<p>Bill Pay</p> <ul style="list-style-type: none"> • Managed independently by banks and third party processors
<p>Cheque Clearing</p> <ul style="list-style-type: none"> • Clearing and settlement managed by Canadian Payments Association (CPA), except on-us cheques 	<p>Check Clearing Channels:</p> <ul style="list-style-type: none"> • On-us/Transit • Regional/Local clearing houses/Federal Reserve Banks • Digitized Image Processing • Direct Sends

Banking Landscape: Payments in Canada

- Canadian Payments Association (CPA) operates 3 clearing and settlement systems in Canada:
 1. ACSS (Automated Clearing Settlement System)
 2. LVTS (Large Value Transfer System)
 3. USBE (US Bulk Exchange)

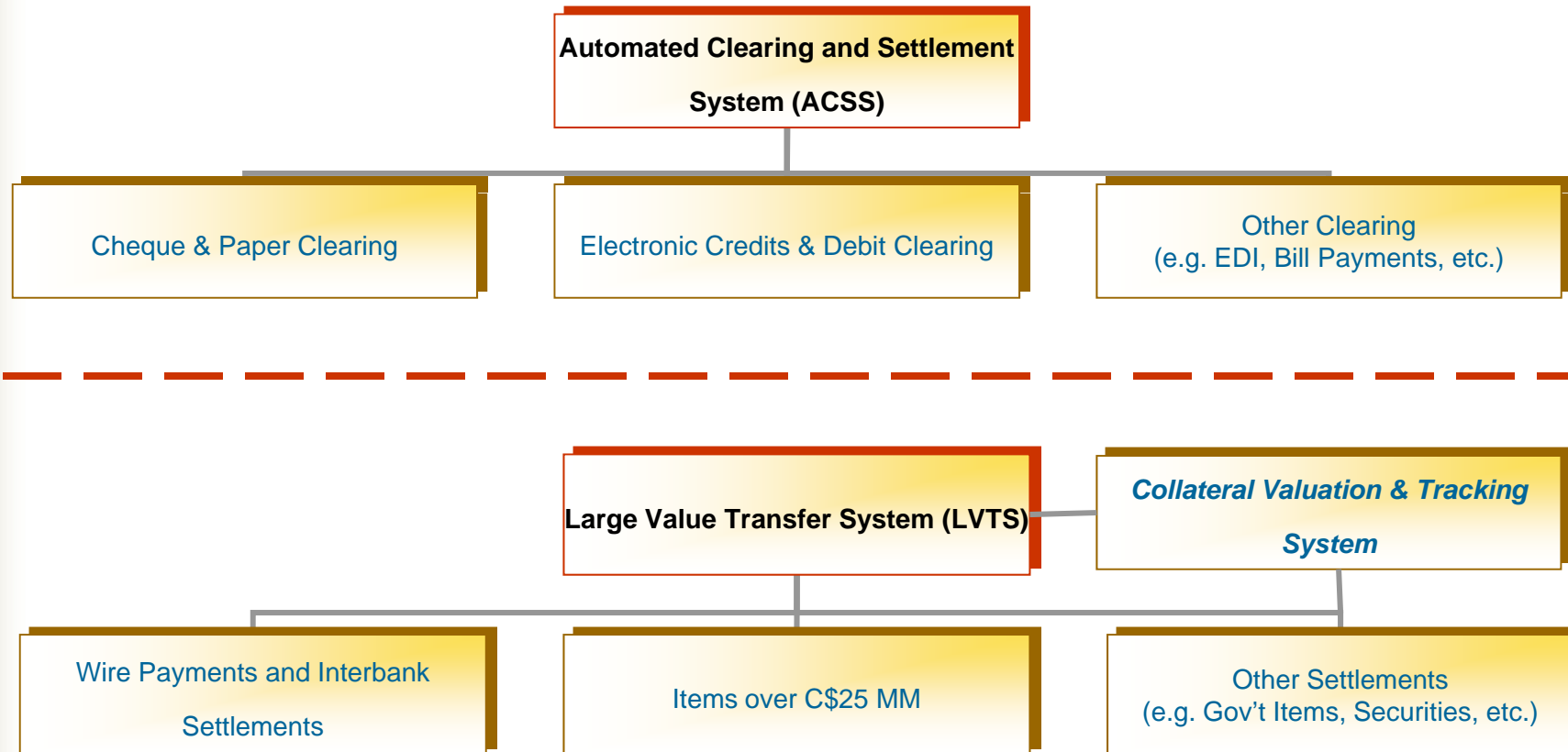


Banking Landscape: Payments in Canada

- In 2009, the total value of transactions cleared and settled through LVTS was \$38.7 trillion, or approximately 90% of value cleared through CPA systems.
- In 2009, the total value of transactions cleared and settled through the ACSS was \$4.9 trillion, or approximately 10% of the total value cleared through CPA systems.



Clearing Systems: Canadian Clearing and Settlement



Regulatory Environment

CANADA	US
Governed by Dept of Finance through Bills of Exchange and Canadian Payments Acts	Governed by Dept of Treasury & Federal/State laws
Central Bank – Bank of Canada	Central Bank – The Federal Reserve
Office of the Superintendent of Financial Institutions (OSFI)	Department of the Treasury & Federal Reserve regulatory & supervisory areas
Canadian Deposit Insurance Corporation	Federal Deposit Insurance Corporation (FDIC)
Financial intelligence unit (FIU) and Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)	Office of Foreign Assets Control (OFAC)
Canadian Bankers Association (CBA)	American Bankers Association (ABA) & Independent Community Bankers of America
Electronic Payments overseen by Canadian Payments Association (CPA)	Electronic Payments overseen by Electronic Payments Association (NACHA)
Canadian Depository for Securities (CDS)	Depository Trust Company (DTC)

Regulatory Environment: Anti-Money Laundering

CANADA	US
Financial intelligence unit (FIU) and Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)	Financial intelligence unit (FIU) and Commissioner of Internal Revenue, Financial Crimes Enforcement Network (FinCEN)
Account Opening: Formal identification of account holder, 3 rd parties, corporate customers & directors (incl. beneficial owners of companies)	Account Opening: Formal identification of account holder
Identify customers for depositing funds, buying life insurance and money orders, and occasional cross-border wire transfers over CAD 3,000	Existing customers exempt from verification requirements if FI has reasonable belief they know customer's true identity
Transactions equal to or above CAD 10,000 reported to FINTRAC within 15 days	FIs required to report suspicious transaction above USD 5,000 to FinCEN
FIs required to report suspicious/attempted transactions within 30 days to FINTRAC	All currency transactions exceeding USD 10,000 must be reported to FinCEN

Regulatory Environment: How to Optimize

- Understand the regulatory environment(s) in which the business operates
- Full disclosure of Know Your Client (KYC) and Anti-Money Laundering (AML) Guidelines
- Develop a rapport with financial institutions to be kept abreast of regulatory changes.
- CPA vs. U.S. Clearing

Liquidity

CANADA	US
Interest on credit balances	Earnings credits
Bank Account overdrafts	Bank account overdrafts (fee)
Cash Concentration/Zero Balance Accounts (ZBA)	Cash Concentration/Zero Balance Accounts (ZBA)
Domestic Pooling	ACH/Debit Wires
Sweep not necessary to earn interest on deposits	Daily sweep/Offshore Liquidity

Liquidity: How to Optimize

- Canada; ensure you're being paid competitive rates on surplus deposits
- US; take advantage of early clearing reporting, and ACH transfers from other institutions
- Sweeping and earnings credit not available in Canada
 - Perform daily sweeps of all accounts into the primary cash management bank
- Relationship as a cash management client demonstrated our stability during economic turbulence and resulted in an introduction to credit and financing opportunities

Clearing Systems: Collections & Receivables

CANADA	US
Nationwide Deposits	Remote Deposit Capture – Image technology
Mail Delivery – Once per day	Robust Mail Delivery
Lockbox Service - not as common as in USA	Lockbox Service – Core Cash Management service (wholesale B2B/retail C2B) convert paper to image and electronic payments
Electronic Funds Transfer (EFT) – Limited information	Automated Clearing House (ACH) – Robust reporting
Electronic Data Interchange (EDI) – Robust information capabilities	Electronic Data Interchange (EDI)
Imaging - Cheque & lockbox	Imaging – Check & lockbox
Merchant Services – Debit/Credit Cards/CHIP	Merchant Services – Debit/Credit Cards
Coast to Coast National Branch System	Check Conversion (ARC) – C2B lockbox only

Clearing Systems: Optimizing Collections & Receivables

- Select a bank with presence in area of operation
- Minimize number of providers
- Bank relationships with armoured couriers simplify the transportation from locations to central depository rooms
- Overcome US geographic limitations, Remote Deposits Capture (RDC) equipment is used in regional offices
- On-site drop safes provide real-time deposits – but with a business risk and cost

Clearing Systems: Payments & Disbursements

CANADA	US
Chequing Accounts	Checking accounts/Zero Balance Accounts (ZBAs)
Electronic Data Interchange (EDI)	Electronic Data Interchange (EDI)
Wire Payments	Wire Payments
Electronic Funds Transfer	Automated Clearing House Payments (ACH) and check blocks
Stop Payments	Stop Payments
Corporate/Travel & Procurement Cards	Corporate/Travel & Procurement Cards
Positive Pay	Positive Pay
No controlled disbursement	Controlled disbursement
Cannot balance to zero/same day cheque clearing	Tools to balance to zero daily

Clearing Systems: Optimizing Payments & Disbursements

- US advanced posting of cleared items allows for early planning of clearing account balances
- Canada has no advanced knowledge of clearing, but has the advantage of earning interest on surplus balances
- Utilize disbursement accounts in the country of the currency to ensure clearing protection by the appropriate association:
 - US\$ checks drawn on a US domiciled account to ensure coverage by Fed

Future Payment Trends: Canada & US

- Convergence of business and consumer payments:
 - B2B payment alternatives converging with consumer payments
 - Corp. credit cards, travel & entertainment, purchasing, etc.
 - Online payments supported for both corporate and consumers
 - Online bill payments
 - Online tax payment and filing
 - Online consumer debits
 - SWIFT now allows corporates to access SWIFT directly

Future Payment Trends: Canada & US

- Migration of payments away from cash and paper methods:
 - Disappearance of cash
- Technology impact on the payments market:
 - Migration to chip technology for cards
 - Mobile technology taking hold
 - Contactless payments
 - Migration to online payments

Future Payment Trends: Canada & US

- Move toward real-time payments
- Consumer payments:
 - Online - real-time debits for online purchases
 - EMMT (e-mail money transfer) - person to person funds transfers in real-time

Key Learnings

- Better understanding of differences and similarities in Canada/US banking
- Understanding of payment systems and regulatory environment
- Optimize Canada/US treasury

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