

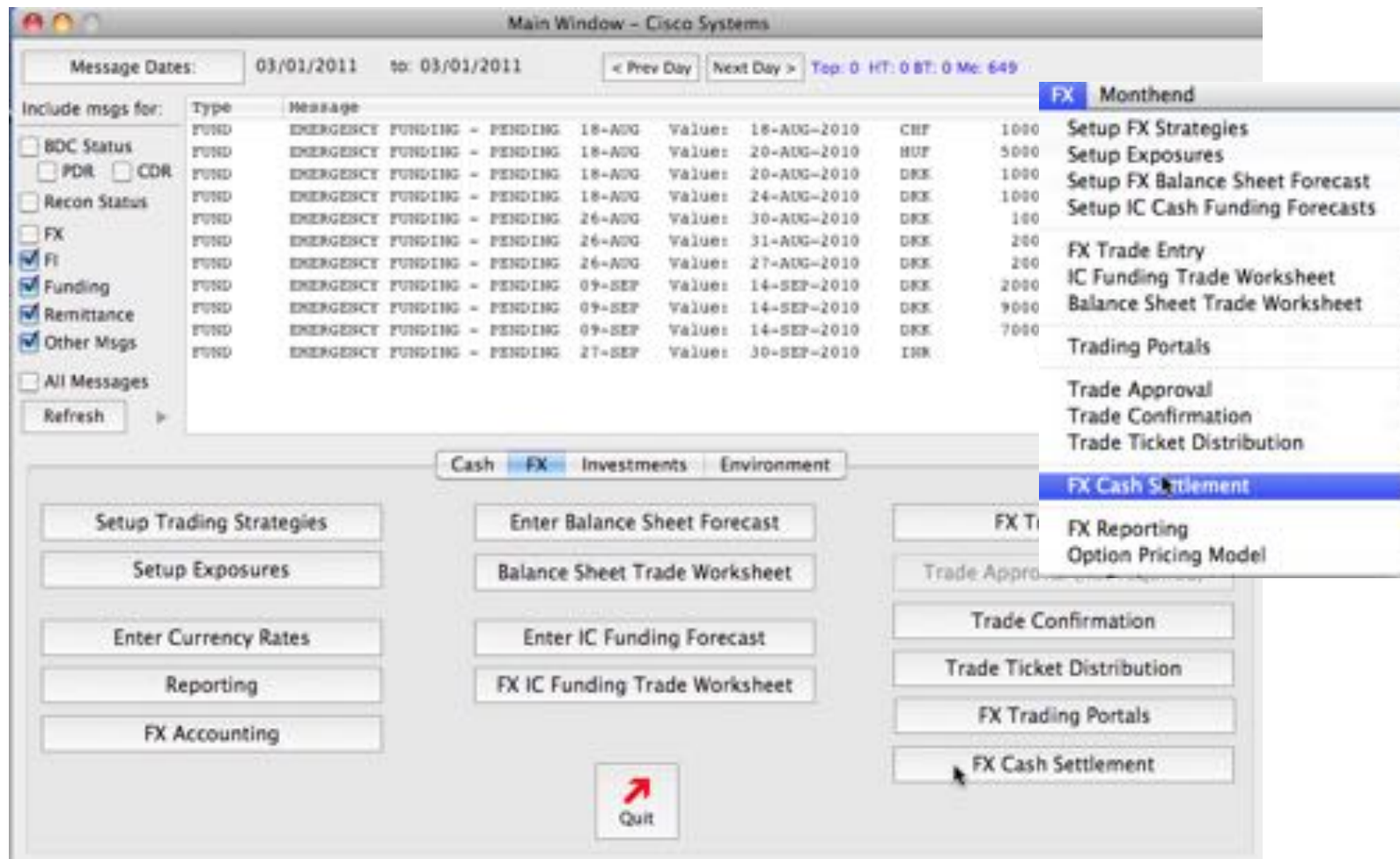
Orbit

FX Settlement
Auto Settlement

FX Settlement

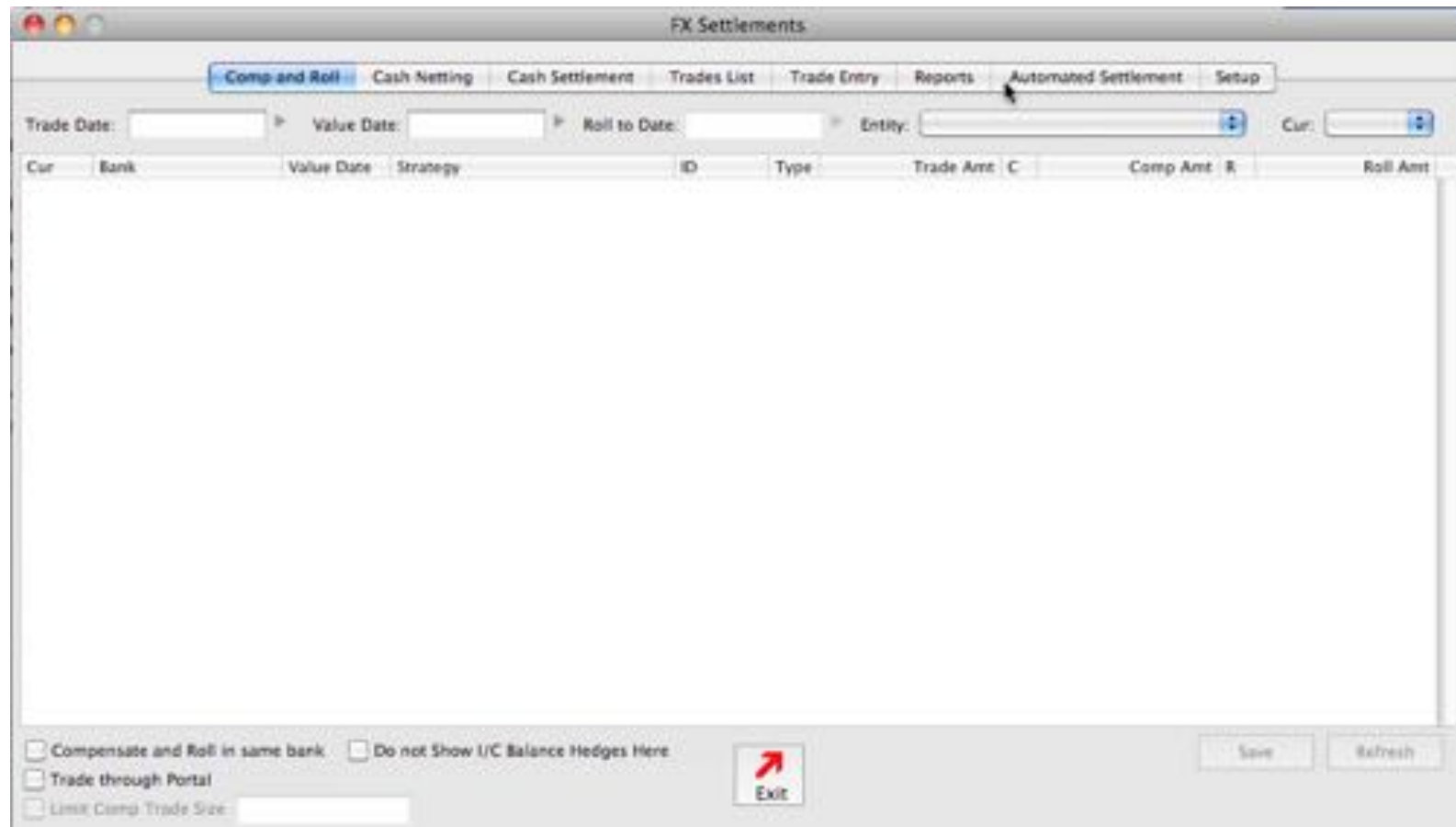
- Orbit provides tools that make it easy to manage the FX Settlement process
- In Orbit settlement covers the following:
 - Compensation of expiring trades
 - Roll of expiring hedges
 - If you are using Orbit for FAS 133 hedge accounting, you must use the hedge roll feature so that Orbit can keep track of accounting history for a hedge that persists across multiple trades
 - Netting at bank
 - Splitting (direct one back to pay another)
- FX Settlement in Orbit results in the creation of Cash Ledger entries representing the FX Settlement Cash Flows
- If your settlement process is consistent and straight forward, settlement processing can be completely automated
- The following slides describe how to use Orbit's auto-settlement features
- We assume that you have already completed FX Settlement Setup. If not, see the presentation entitled: "FX Settlement Setup"

FX Settlement – Auto Settlement



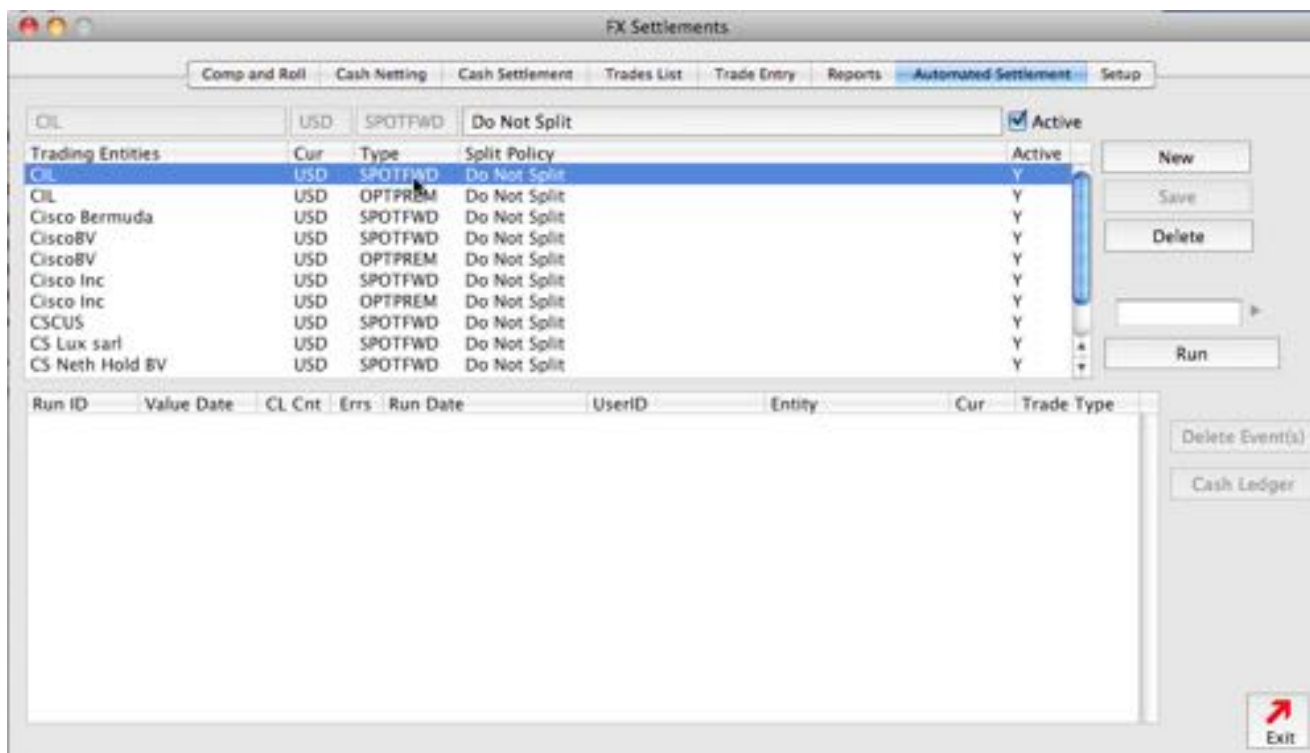
- Go to the “FX” tab of the Main Menu Window
- Press the “FX Cash Settlement” button
- OR: select “FX Cash Settlement” from the “FX” menu

FX Settlement – Auto Settlement



- Click on the “Automated Settlement” tab

FX Settlement – Auto Settlement



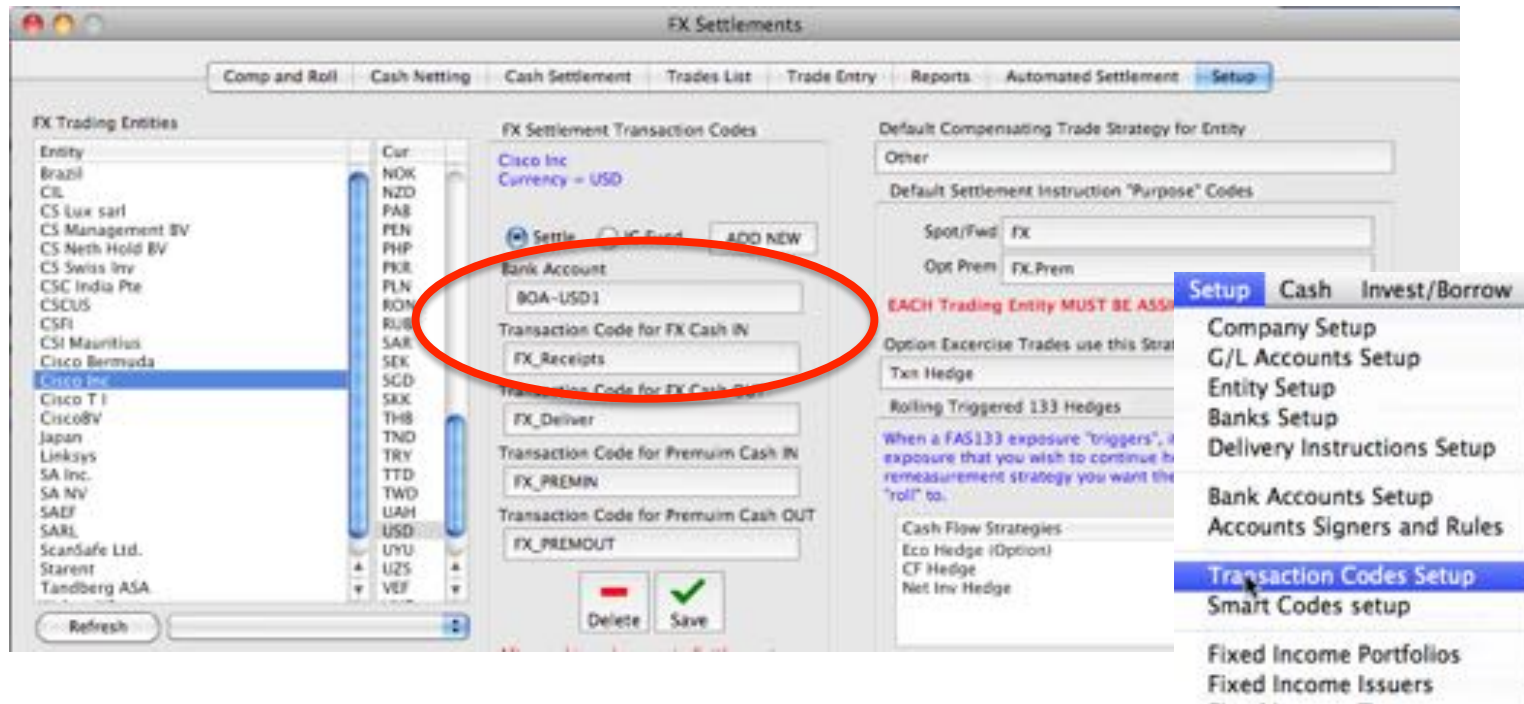
- The top of this tab holds a list of settlement commands (first line = CIL / USD / SPOTFWD)
- Each command identifies a trading entity, currency, instrument type and split policy
- When automated settlement runs, it runs each of the command lines for the same value date
- Automated settlement may be run by a scheduled job. The job may run everyday (or multiple times each day). Today's run of automated settlement will run using tomorrow as the settlement value date

FX Settlement – Auto Settlement

Trading Entities	Cur	Type	Split Policy	Active
CIL	USD	SPOTFWD	Do Not Split	Y
CIL	USD	OPTPREM	Do Not Split	Y
Cisco Bermuda	USD	SPOTFWD	Do Not Split	Y
CiscoBV	USD	SPOTFWD	Do Not Split	Y
CiscoBY	USD	OPTPREM	Do Not Split	Y

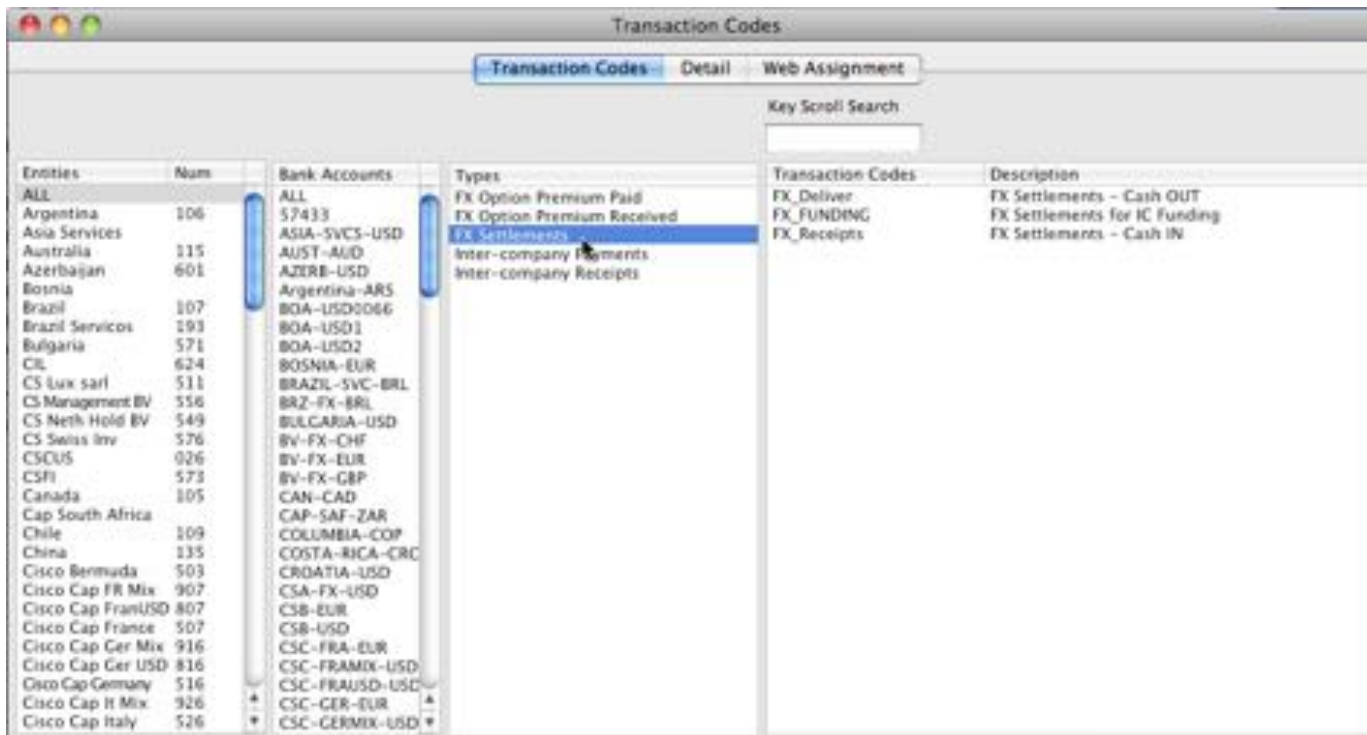
- This slide describes how the selected command line would be processed. Assume the settlement value date chosen (not shown) is 04/30/2010:
- 04/30/2010 matches trade “Value Dates”. For spot/forward trades, value date is the day of maturity. For Options, the value date refers to the date on which the premium payment/receipt are made
- Orbit selects all spot/forward trades where entity equals “CIL” and maturity date = 4/30/2010
- Orbit nets the USD side of those trades at each bank (command line currency = USD)
- Because “Do Not Split” is set, there is a simple exchange of payments. Orbit creates Cash Ledger INFLOWS from the bank into the default CIL settlement account wherever a bank will be paying USD to CIL.
- Orbit creates Cash Ledger OUTFLOWS from the CIL settlement account to the every bank where CIL will be paying USD
- The appropriate bank accounts, transaction codes and delivery instructions are all derived from the setup information entered on the FX Settlements window “Setup” tab
- In Orbit, Cash Flows are represented by “Cash Ledger” entries
- Every Cash Ledger entry is coded to a transaction code
- If a cash flow transaction code is set to be “Visible to the payments interface”, then when the Cash Ledger item is created, Orbit will add it to the payments queue for processing through the payments interface

FX Settlement – Impact of Setup



- The following slides show you how FX Settlement setup relates to the actual settlement processing
- FX Settlement must be coded for each settlement possibility that might arise
- Assume Orbit needs to create a USD inflow for settlement of Cisco Inc trades
- On the “Setup” tab, select “Cisco Inc.” and “USD”
- We see for “Settlement”, the “Transaction Code for FX Cash IN” = “FX_Receipts” under account “BOA-USD1”. This means that when Orbit creates a USD inflow for Cisco Inc settlement, it will create a Cash Ledger entry into the BOA-USD1 bank account and the Transaction Code will be “FX_Receipts”
- Lets go look at the setup for transaction code FX_Receipts
- Select “Transaction Code Setup” from the “Setup” menu

FX Settlement - TxnCodes



The screenshot shows the 'Transaction Codes' application window with the following data:

Entities	Num	Bank Accounts	Types	Transaction Codes	Description
ALL		ALL	FX Option Premium Paid	FX_Deliver	FX Settlements - Cash OUT
Argentina	106	57433	FX Option Premium Received	FX_FUNDING	FX Settlements for IC Funding
Asia Services		ASIA-SVCS-USD	FX Settlements	FX_Receipts	FX Settlements - Cash IN
Australia	115	AUST-AUD	Inter-company Payments		
Azerbaijan	601	AZEB-USD	Inter-company Receipts		
Bosnia		Argentina-ARS			
Brazil	107	BOA-USD066			
Brazil Services	193	BOA-USD1			
Bulgaria	571	BOA-USD2			
CIL	624	BOSNIA-EUR			
CS Lux sarl	511	BRAZIL-SVC-BRL			
CS Management BV	556	BRZ-FX-BRL			
CS Neth Hold BV	549	BULGARIA-USD			
CS Swiss Inv	576	BV-FX-CHF			
CSCUS	026	BV-FX-EUR			
CSFI	573	BV-FX-GBP			
Canada	105	CAN-CAD			
Cap South Africa		CAP-SAF-ZAR			
Chile	109	COLUMBIA-COP			
China	135	COSTA-RICA-CRC			
Cisco Bermuda	503	CRDANIA-USD			
Cisco Cap FR Mix	907	CSA-FX-USD			
Cisco Cap FranUSD	807	CSB-EUR			
Cisco Cap France	507	CSB-USD			
Cisco Cap Ger Mix	916	CSC-FRA-EUR			
Cisco Cap Ger USD	816	CSC-FRANMX-USD			
Cisco Cap Germany	516	CSC-FRAUSD-USD			
Cisco Cap It Mix	926	CSC-CER-EUR			
Cisco Cap Italy	526	CSC-GERMX-USD			

- Select "ALL" entities
- Select "FX Settlements" from the types column
- Orbit displays the Transaction Codes we have created for the "FX Settlements" type
- Double-click on the "FX_Receipts" transaction code

FX Settlement – TxnCode Detail

Transaction Codes - Detail - Web Assignment

Transaction Code Base

Txn Type: FX_IN Cash Inflows - FX Settlements
 Cash Type: IN IN/OUT
 Code: FX_Receipts
 Purpose: FX Settlements - Cash IN
 GL Account: 00000 Unassigned

DBID: 4358706
 Edit UserID: ASP Administrator
 Edit Date: 2009-11-03 08:53:28
 Active

Buttons: Delete, Previous, Next, Save, Dupl, New, Import, Exit

The Transaction Code may be used with the Entry/Bank Accounts listed below (a check mark in "Incl" means the code is currently active for the account)

Main Accounts Operations AR AP Payroll Trading Other All Active Inactive Accounts

Incl	Entity	Cur	Account	Type	Name	GL Account
<input type="checkbox"/>	OIL	USD	STUCKUSD	MAIN	Cisco International Ltd. USD Settlement	624-00000
<input type="checkbox"/>	CS Lux sarl	USD	LUX-FX-USD	OPS	USD Settlements for CS Lux sarl	511-00000
<input type="checkbox"/>	CS Neth Hold BV	USD	NHBV-FX-US	OPS	USD Settlements for CS Neth Hold BV	549-00000
<input type="checkbox"/>	CS Swiss Inv	USD	CSLI-FX-USD	OPS	USD Settlements for CS Switzerland I	576-00000
<input type="checkbox"/>	CSCUS	USD	CSLS-USD4070	OPS	USD Settlements for CSCUS	026-00000
<input type="checkbox"/>	CSFI	USD	BOA-USD0066	MAIN	FX Settlement Acct	573-00000
<input type="checkbox"/>	Cisco Bermuda	USD	CSB-USD	OPS	USD Settlements for Cisco Bermuda	503-00000
<input checked="" type="checkbox"/>	Cisco Inc	USD	BOA-USD1	MAIN	Cisco FX USD Settlements	020-00000
<input type="checkbox"/>	CiscoBV	USD	BOA-USD2	MAIN	Cisco Systems International BV	555-00000
<input type="checkbox"/>	Linksys	USD	LNK-FX-USD	OPS	USD Settlements for Linksys	028-00000
<input type="checkbox"/>	SA Inc.	USD	CSA-FX-USD	OPS	USD Settlements for Scientific Advan	405-00000
<input type="checkbox"/>	SARL	USD	SARL-FX-USD	OPS	USD Settlements for SARL	577-00000
<input type="checkbox"/>	Argentina	ARS	Argentina-ARS	CHECKL	Argentina Operations Account	

- The base properties of the Transaction Code are shown in the top half of the tab (Transaction Code Base)
- A transaction code is active for 0, 1 or many bank accounts. The bottom half of the tab lists all available bank accounts. Checkmarks in the “Incl” column indicate the bank accounts for which this TxnCode is active
- Click on the “Incl” column heading. Orbit sorts the accounts list to show all of the accounts that are active for “FX_Receipts”
- We want to look at “FX_Receipts” for bank account “BOA-USD1”
- Select and then double-click the “BOA-USD1” account line. This will show us the details settings for how we want FX_Receipts to behave for bank account BOA-USD1

FX Settlement – TxnCode Detail Settings

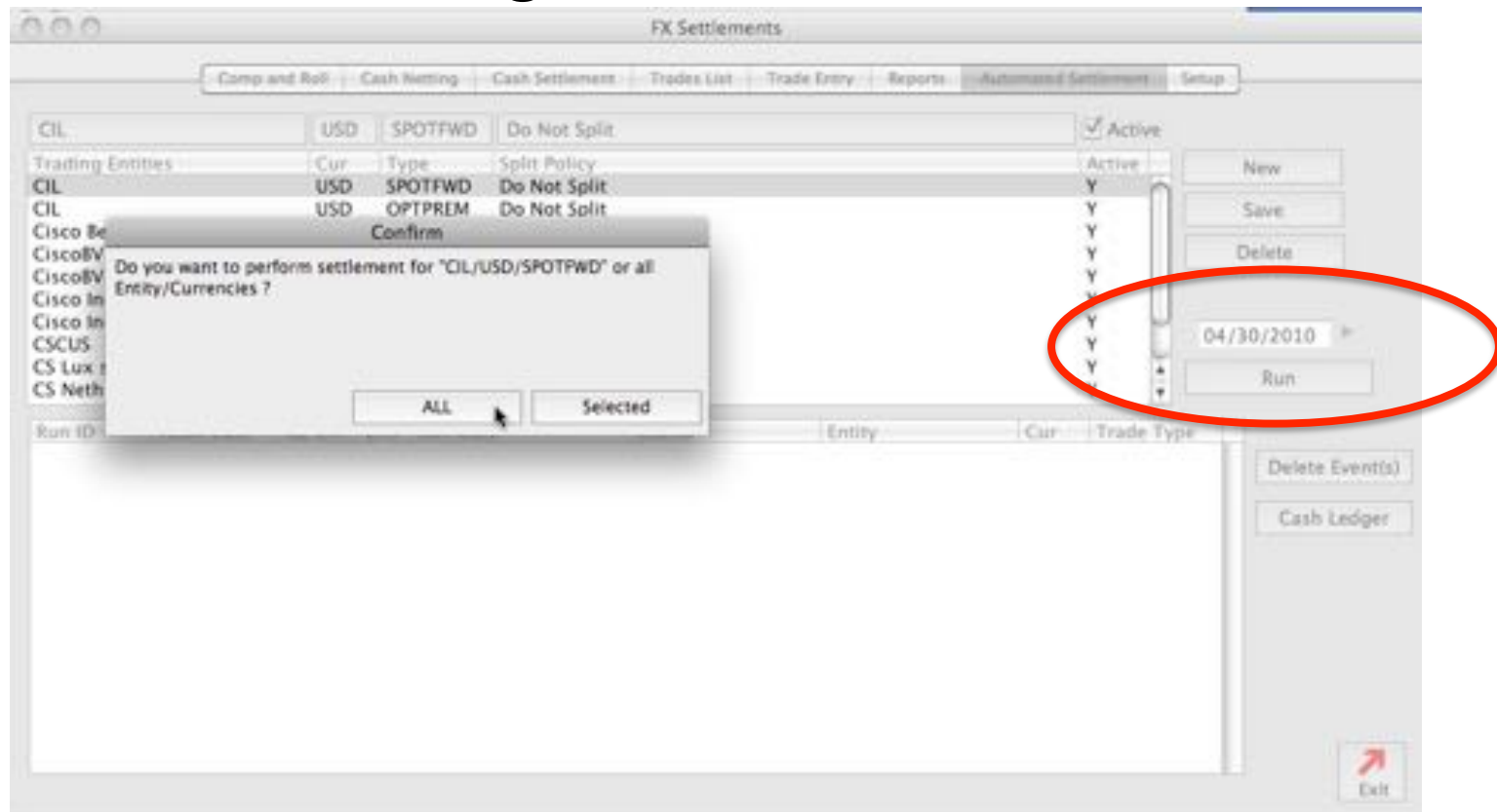
The screenshot shows the 'Payments and Cash' tab of the 'Identity and Accounting' window. The 'Txn Code' is 'FX_Receipts', 'Entity' is 'Cisco Inc', and 'Bank Account' is 'BOA-USD1'. The 'Status' is 'Active'. The 'DBID' is '4358707'. The 'ASP Administrator' is '2009-11-03 08:56:56'. The 'Cash Accounting' is 'CASH: IN - DEBIT to Bank Account CREDIT to Offset'. The 'Inter Company Entity' is empty, and 'GL Acct at IC Entity' is '00000'. The 'GL Acct (offset to cash)' is '00000'. The 'Journal Entry Description' is 'FX Settlements - Cash IN'. The 'Debit and Credits' table is as follows:

Seq	Dr/CR	Full GL Account
1	Debit	020-
2	Credit	020-00000

The 'Visible to Payments Interface' checkbox is checked, and the 'Preapprove for EFT' checkbox is unchecked. The 'Delivery Instructions' are set to 'None'. The 'Instructions' field is empty, and the 'Repet Code' field is empty.

- Double-clicking, shows us the details for the FX_Receipts transaction code in the BOA-USD1 bank account
- There are a number of properties that can be set here, but from the FX Settlements perspective, the most interesting relates to the visibility of the cash flow to the payments interface
- Click on the “Payments and Cash” tab. We see this transaction code is “visible to the payments interface”
- This means that whenever a Cash Ledger item is created with transaction code FX_Receipts in bank account BOA-USD1, it will also be added to the payments interface queue for processing through the payments interface
- On the next slide we return to the FX Auto Settlements window to run the settlements process

Running Auto-Settlement



- Enter the value date you want to run auto-settlement for and press enter
- Press the “Run” button
- Because we have selected a single auto-settle command, Orbit will ask us if we want to run the selected command or ALL commands. We will answer “ALL”

Running Auto-Settlement

The screenshot shows a window titled "Auto Settlement Event Error Messages" with the following text:

```
CIL: 30-APR-2010. Missing TemplateID: CIL / USD / CS -1,063,000.00
CIL: 30-APR-2010. Missing TemplateID: CIL / USD / UBGNY -799,216.86
Cisco Bermuda: 30-APR-2010. Missing TemplateID: Cisco Bermuda / USD / UBGNY -88,626.03
CiscoBV: 30-APR-2010. Missing TemplateID: CiscoBV / USD / UBGNY -7,497.75
CS Swiss Inv: 30-APR-2010. Missing TemplateID: CS Swiss Inv / USD / UBGNY -181,999.88
```

Below the text is a table with columns for ID, date, and user. A blue arrow points from the error message "Missing TemplateID: CIL / USD / CS" to the "EFT Cash Flows Require TemplateID" checkbox in the "Other Approval Options" dialog.

ID	Date	User
6033919	2010-04-30	ASP Administ
6033920	2010-04-30	ASP Administ
6033921	2010-04-30	ASP Administ
6033926	2010-04-30	ASP Administ

Other Approval Options

- Trade Confirmation is not Required
- Confirm FX Portal Downloads Automatically
- Trade Bid Entry is not Required
- EFT Cash Flows Require Approval 2 Approvals
- EFT Cash Flows Require TemplateID
- EFT Instructions Require Approval
- EFT Approver May Approve His/Her Own Work
- EFT Notify Approvers by Email
- EFT Notify Users on Pre-Approved or Self-Approved

Enter Orbit UserID's separated by commas.
Setup email addresses with UserID's on "Manage Users and Groups"

- Orbit runs ALL of the auto-settlement commands
- When done, Orbit shows us a list of any errors encountered
- The most common errors are missing template ID's or missing delivery instructions
- If a Cash Ledger OUTFLOW is visible to the Payments Interface, it must have a templateID or delivery instruction
 - The policy for requiring templateID is set on the "Approvals" tab of the "Security" window (Main Menu Window, "Environment" tab, "Security" button)
 - Template ID should be entered in the "Repet Code" field of the delivery instruction

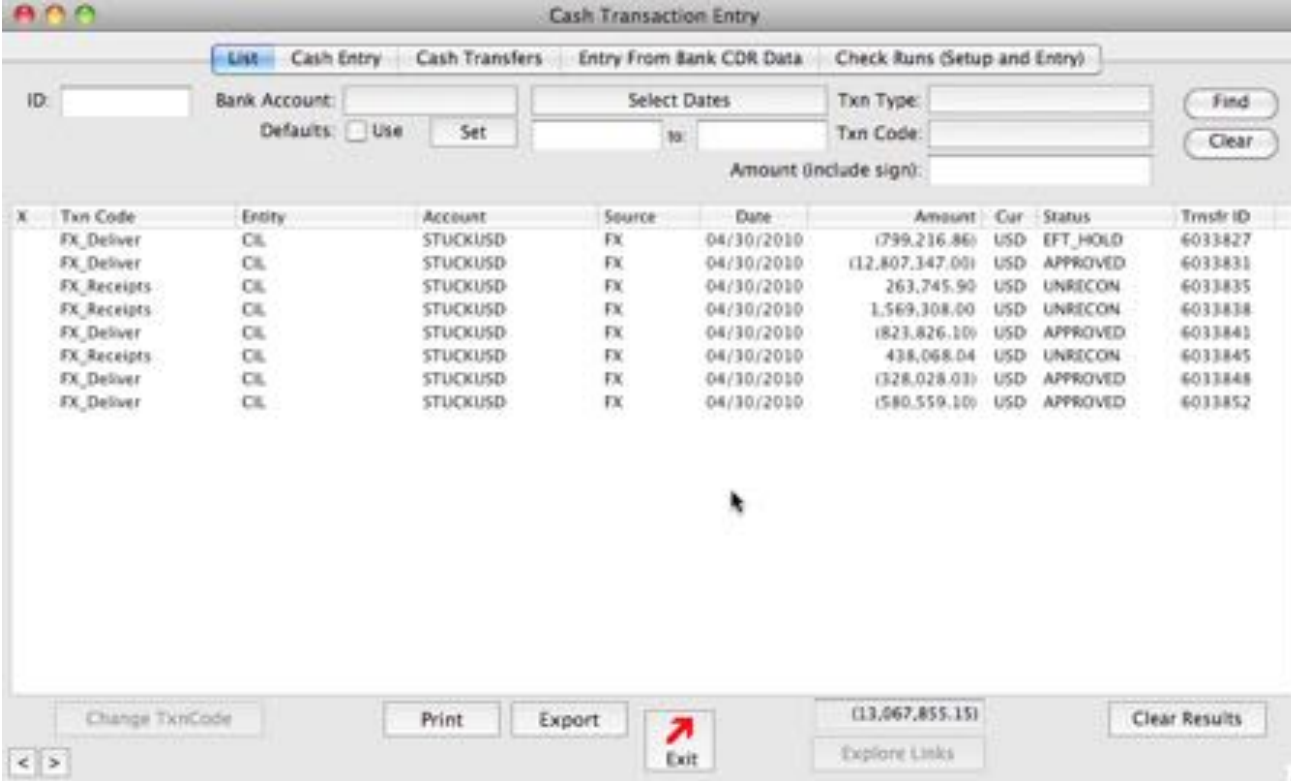
Running Auto-Settlement

The screenshot shows the 'FX Settlements' application window. At the top, there are tabs for 'Comp and Roll', 'Cash Netting', 'Cash Settlement', 'Trades List', 'Trade Entry', 'Reports', 'Automated Settlement', and 'Setup'. The 'Automated Settlement' tab is active. Below the tabs, there is a table of trading entities with columns: 'Cur', 'Type', 'Split Policy', and 'Active'. The 'Active' column has a dropdown menu with 'Active' selected. To the right of the table are buttons for 'New', 'Save', and 'Delete'. Below these buttons is a date field set to '04/30/2010' and a 'Run' button. At the bottom of the window, there is a 'Delete Event(s)' button and a 'Cash Ledger' button. A red arrow points to the 'Exit' button in the bottom right corner.

Run ID	Value Date	CL Cnt	Errs	Run Date	UserID	Entity	Cur	Trade Type
6033817	2010-04-30	2	1	01-MAR-2011 14:10	ASP Administrator	CIL	USD	OTPFWD
6033824	2010-04-30	8	1	01-MAR-2011 14:10	ASP Administrator	CIL	USD	SPOTFWD
6033854	2010-04-30	1	1	01-MAR-2011 14:10	ASP Administrator	Cisco Bermuda	USD	SPOTFWD
6033859	2010-04-30	0	0	01-MAR-2011 14:10	ASP Administrator	CiscoBV	USD	OTPFWD
6033860	2010-04-30	8	1	01-MAR-2011 14:10	ASP Administrator	CiscoBV	USD	SPOTFWD
6033891	2010-04-30	0	0	01-MAR-2011 14:10	ASP Administrator	Cisco Inc	USD	OTPFWD
6033892	2010-04-30	8	0	01-MAR-2011 14:10	ASP Administrator	Cisco Inc	USD	SPOTFWD
6033918	2010-04-30	0	0	01-MAR-2011 14:10	ASP Administrator	CSCUS	USD	SPOTFWD
6033919	2010-04-30	0	0	01-MAR-2011 14:10	ASP Administrator	CS Lux sarl	USD	SPOTFWD
6033920	2010-04-30	0	0	01-MAR-2011 14:10	ASP Administrator	CS Neth Hold BV	USD	SPOTFWD
6033921	2010-04-30	1	1	01-MAR-2011 14:10	ASP Administrator	CS Swiss Inv	USD	SPOTFWD
6033926	2010-04-30	0	0	01-MAR-2011 14:10	ASP Administrator	Japan	USD	SPOTFWD

- A history of each auto-settle command execution is listed below the commands
- The “CL Cnt” column shows us the number of Cash Ledger items that have been created
- The “Errs” column shows us the number of errors – usually “missing templateID” or “missing delivery instructions”
- Double-click on the event line to see the error messages.
- Select an event line and press the “Cash Ledger” button to see the Cash Ledger items created by the event
- The next slide shows us what happens when we press the “Cash Ledger” button

Running Auto-Settlement



X	Txn Code	Entity	Account	Source	Date	Amount	Cur	Status	Trnsfr ID
	FX_Deliver	CIL	STUCKUSD	FX	04/30/2010	(799,216.86)	USD	EFT_HOLD	6033827
	FX_Deliver	CIL	STUCKUSD	FX	04/30/2010	(12,807,347.00)	USD	APPROVED	6033831
	FX_Receipts	CIL	STUCKUSD	FX	04/30/2010	263,745.90	USD	UNRECON	6033835
	FX_Receipts	CIL	STUCKUSD	FX	04/30/2010	1,569,308.00	USD	UNRECON	6033838
	FX_Deliver	CIL	STUCKUSD	FX	04/30/2010	(823,826.10)	USD	APPROVED	6033841
	FX_Receipts	CIL	STUCKUSD	FX	04/30/2010	438,068.04	USD	UNRECON	6033845
	FX_Deliver	CIL	STUCKUSD	FX	04/30/2010	(328,028.03)	USD	APPROVED	6033848
	FX_Deliver	CIL	STUCKUSD	FX	04/30/2010	(580,559.10)	USD	APPROVED	6033852

- Orbit takes us to the “Cash Transaction Entry” window and lists all of the Cash Ledger items created by the event
- The “Status” column tells us something about the status of these CL items
- “EFT-HOLD” indicates a CASH OUTFLOW, that was visible to the payments interface, but is on hold due to a missing templateID or delivery instruction. Orbit will not release payments to the payments interface without delivery instructions
- “APPROVED” indicates a CASH OUTFLOW, that is ready for release through the payments interface. Automatic approval is a policy that is set on the “Approvals” tab of the “Security” window
- “UNRECON” indicates either a CASH INFLOW or a CASH OUTFLOW that is not visible to the payments interface. These items are sitting in the Cash Ledger awaiting reconciliation when bank data reporting occurs

Payments Interface Que

The screenshot shows the 'Electronic Funds Transfer (Payments) Interface' window. It has tabs for 'Cash Ledger', 'EFT Batch View', and 'Activate Txn Codes'. Below the tabs are radio buttons for 'PENDING', 'Not EFT', 'ALL', 'Released', and 'Approved'. There are input fields for 'Bank Account', 'Select Dates' (04/30/2010 to 04/30/2010), 'Txn Code', and 'ID', with a 'Find' button. The main area contains a table of payment entries.

Status	Entity	Account	Date	Cur	Amount	Code
▶ EFT_HOLD	Cisco Bermuda	CSB-USD	04/30/2010	USD	(88,626.03)	FX_Deliver / UNKNOWN
▶ EFT_HOLD	CS Swiss Inv	CSSI-FX-USD	04/30/2010	USD	(181,999.88)	FX_Deliver / UNKNOWN
▶ APPROVED	Cisco Inc	BOA-USD1	04/30/2010	USD	(499,455.55)	FX_Deliver / 1348
▶ APPROVED	CiscoBV	BOA-USD2	04/30/2010	USD	(1,053,773.20)	FX_Deliver / 1008
▶ APPROVED	CiscoBV	BOA-USD2	04/30/2010	USD	(483,742.00)	FX_Deliver / 1348
▶ APPROVED	CiscoBV	BOA-USD2	04/30/2010	USD	(682,800.00)	FX_Deliver / 1019
▶ APPROVED	CiscoBV	BOA-USD2	04/30/2010	USD	(1,836,111.67)	FX_Deliver / 1006
▶ APPROVED	CiscoBV	BOA-USD2	04/30/2010	USD	(185,225.60)	FX_Deliver / 1143
▶ EFT_HOLD	CiscoBV	BOA-USD2	04/30/2010	USD	(7,697.75)	FX_Deliver / UNKNOWN
▶ APPROVED	CIL	STUCKUSD	04/30/2010	USD	(580,559.10)	FX_Deliver / 1019
▶ APPROVED	CIL	STUCKUSD	04/30/2010	USD	(328,028.03)	FX_Deliver / 1143
▶ APPROVED	CIL	STUCKUSD	04/30/2010	USD	(823,826.10)	FX_Deliver / 1006
▶ APPROVED	CIL	STUCKUSD	04/30/2010	USD	(12,807,347.00)	FX_Deliver / 1013
▶ EFT_HOLD	CIL	STUCKUSD	04/30/2010	USD	(799,216.86)	FX_Deliver / UNKNOWN
▶ NOT EFT	CIL	STUCKUSD	04/30/2010	USD	(1,063,000.00)	FX_PREMOUT / UNKNOWN
▶ NOT EFT	CIL	STUCKUSD	04/30/2010	USD	(378,623.00)	FX_PREMOUT / 1348

- Visit the payments interface que by selecting “EFT Payments Interface” from the “Cash” menu
- Enter 4/30/2010 and press the “Find” button
- “ALL” OUTFLOW payments are listed. Payments that are not in the queue have a status of “NOT EFT”. Otherwise we see “APPROVED” and “EFT-HOLD” items
- In the far right-hand column we see the Transaction code followed by the item’s delivery instruction code or template ID

Running Auto-Settlement

The screenshot shows the 'FX Settlements' application window. The 'Automated Settlement' tab is active. The main window contains a table of trading entities and a table of settlement runs.

CIL	USD	SPOTFWD	Do Not Split	Active
Trading Entities	Cur	Type	Split Policy	Active
CIL	USD	SPOTFWD	Do Not Split	Y
CIL	USD	OPTPREM	Do Not Split	Y
Cisco Bermuda	USD	SPOTFWD	Do Not Split	Y
CiscoBV	USD	SPOTFWD	Do Not Split	Y
CiscoBV	USD	OPTPREM	Do Not Split	Y
Cisco Inc	USD	SPOTFWD	Do Not Split	Y
Cisco Inc	USD	OPTPREM	Do Not Split	Y
CSCUS	USD	SPOTFWD	Do Not Split	Y
CS Lux sarl	USD	SPOTFWD	Do Not Split	Y
CS Neth Hold BV	USD	SPOTFWD	Do Not Split	Y

Run ID	Value Date	CL Cnt	Errs	Run Date	UserID	Entity	Cur	Trade Type
6033817	2010-04-30	2	1	01-MAR-2011 14:10	ASP Administrator	CIL	USD	OPTPREM
6033824	2010-04-30	8	1	01-MAR-2011 14:10	ASP Administrator	CIL	USD	SPOTFWD
6033854	2010-04-30	1	1	01-MAR-2011 14:10	ASP Administrator	Cisco Bermuda	USD	SPOTFWD
6033859	2010-04-30	0	0	01-MAR-2011 14:10	ASP Administrator	CiscoBV	USD	OPTPREM
6033860	2010-04-30	8	1	01-MAR-2011 14:10	ASP Administrator	CiscoBV	USD	SPOTFWD
6033891	2010-04-30	0	0	01-MAR-2011 14:10	ASP Administrator	Cisco Inc	USD	OPTPREM
6033892	2010-04-30	8	0	01-MAR-2011 14:10	ASP Administrator	Cisco Inc	USD	SPOTFWD
6033918	2010-04-30	0	0	01-MAR-2011 14:10	ASP Administrator	CSCUS	USD	SPOTFWD
6033919	2010-04-30	0	0	01-MAR-2011 14:10	ASP Administrator	CS Lux sarl	USD	SPOTFWD
6033920	2010-04-30	0	0	01-MAR-2011 14:10	ASP Administrator	CS Neth Hold BV	USD	SPOTFWD
6033921	2010-04-30	1	1	01-MAR-2011 14:10	ASP Administrator	CS Swiss Inv	USD	SPOTFWD
6033926	2010-04-30	0	0	01-MAR-2011 14:10	ASP Administrator	Japan	USD	SPOTFWD

- If you want to undo the effects of an event, delete the event
- You can delete multiple events by selecting all of those you want to delete
- After selection, click the “Delete Event(s)” button
- The event and all Cash Ledger entries and “FX Settlement” planning records created by the event will be deleted
- Orbit will not permit you to delete an event if any Cash Ledger items created by that event have been processed through the payments interface
- An auto settlement command line may only be run once for a given value date. You cannot run an auto settlement command line multiple times for the same date