

Orbit

FX Accounting

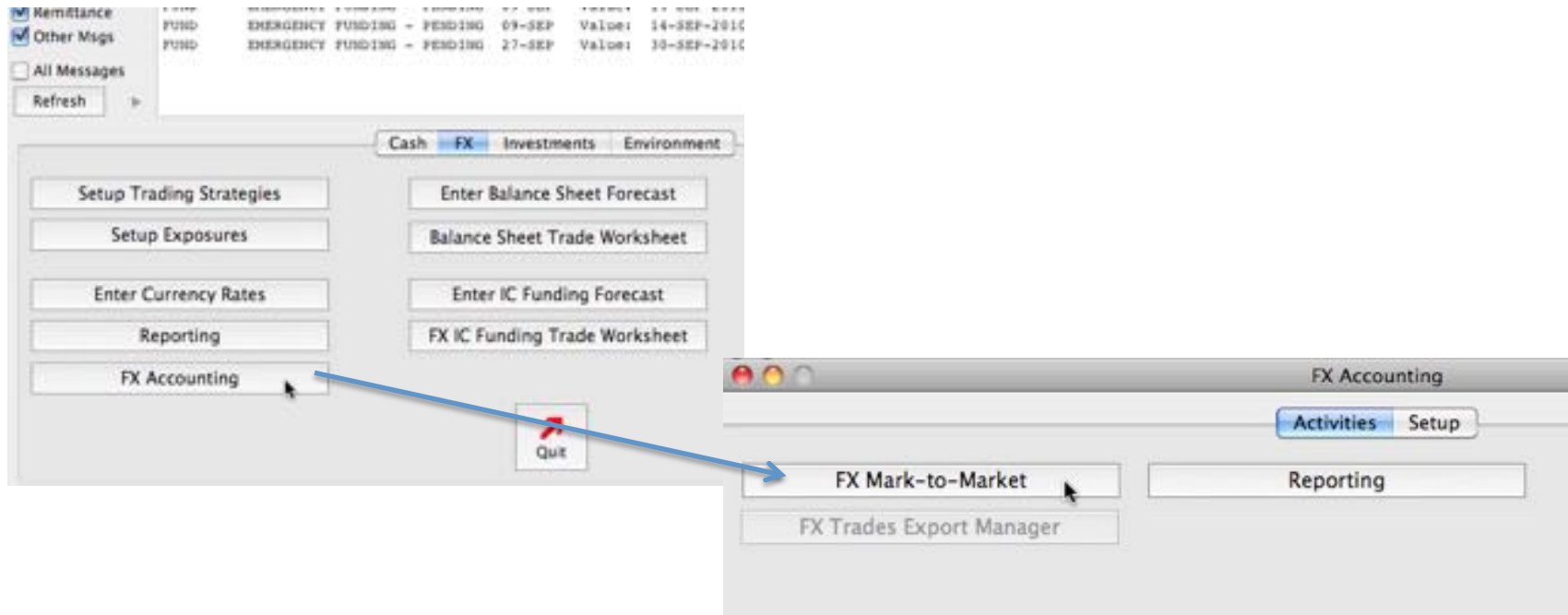
FX Accounting

- FX Accounting refers to the generation of FX related Journal Entries based on MTM results
- Orbit FX Accounting depends on completion of FX Mark-to-Market
- See the document, “FX_MTM” for a complete description on how to run MTM
- The remainder of this presentation is focused on FX Journal Entry creation

FX MTM and Accounting Process

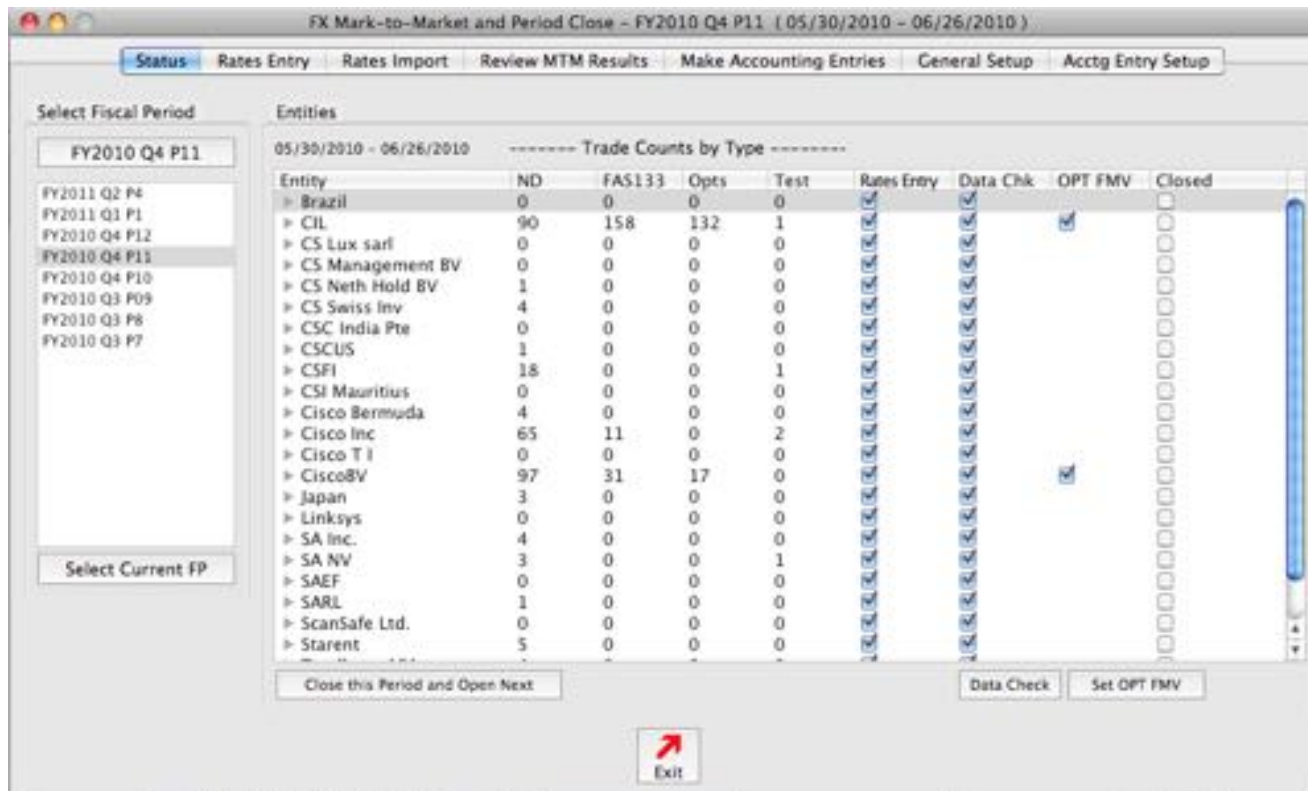
- MTM processing is simple. The steps involved are:
 - Import month end rates
 - Month end spot rates
 - Interest Rates for all currencies
 - Volatilities (if your book includes options)
 - Forward Point Curve (optional for use in forward MTM)
 - Run Data Check
 - Run Option Pricing
- Once MTM is complete you may proceed to FX Accounting

Go To FX MTM and Accounting



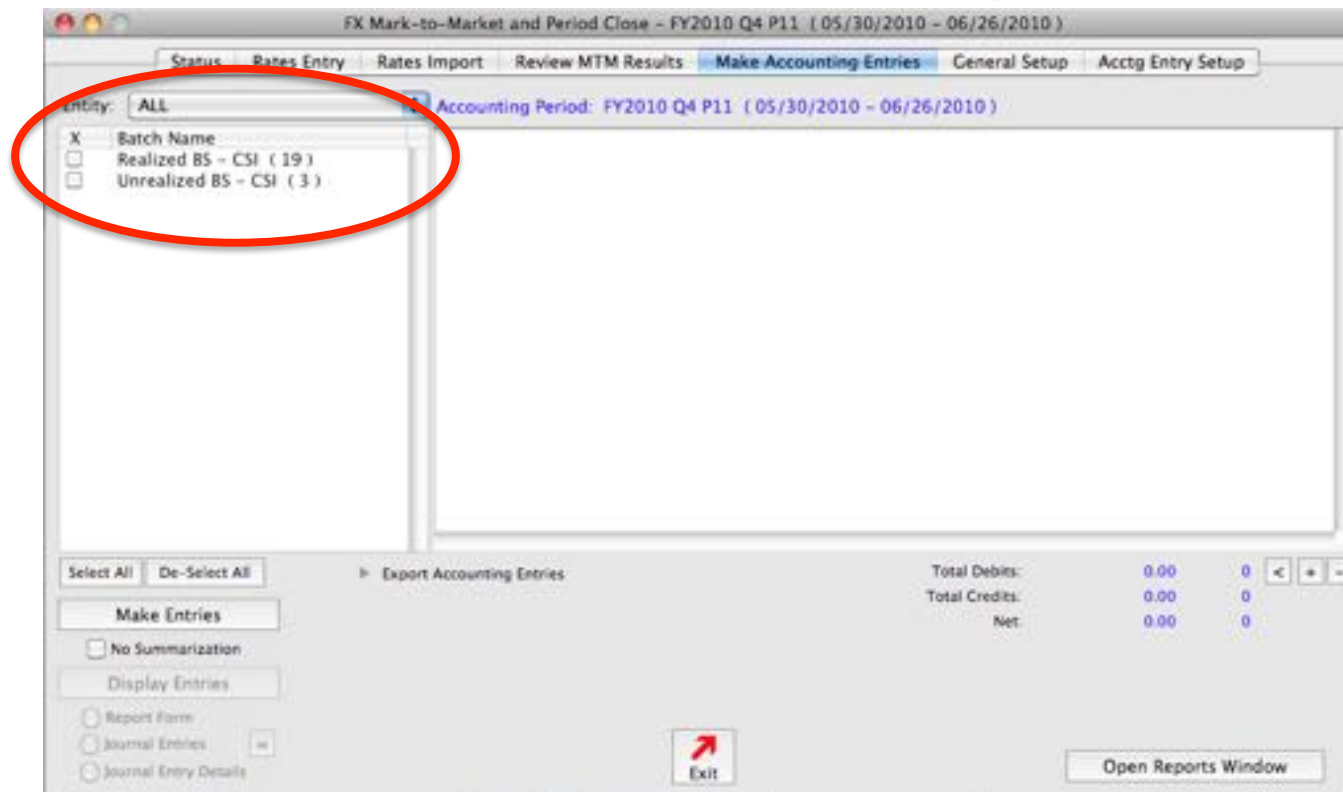
- Go to the “FX” tab on the Main Menu window
- Press the “FX Accounting” button (or select “FX Accounting” from the “Monthend” menu)
- This opens the “FX Accounting” window
- Press the “FX Mark-to-Market” button

FX Mark-To-Market Window



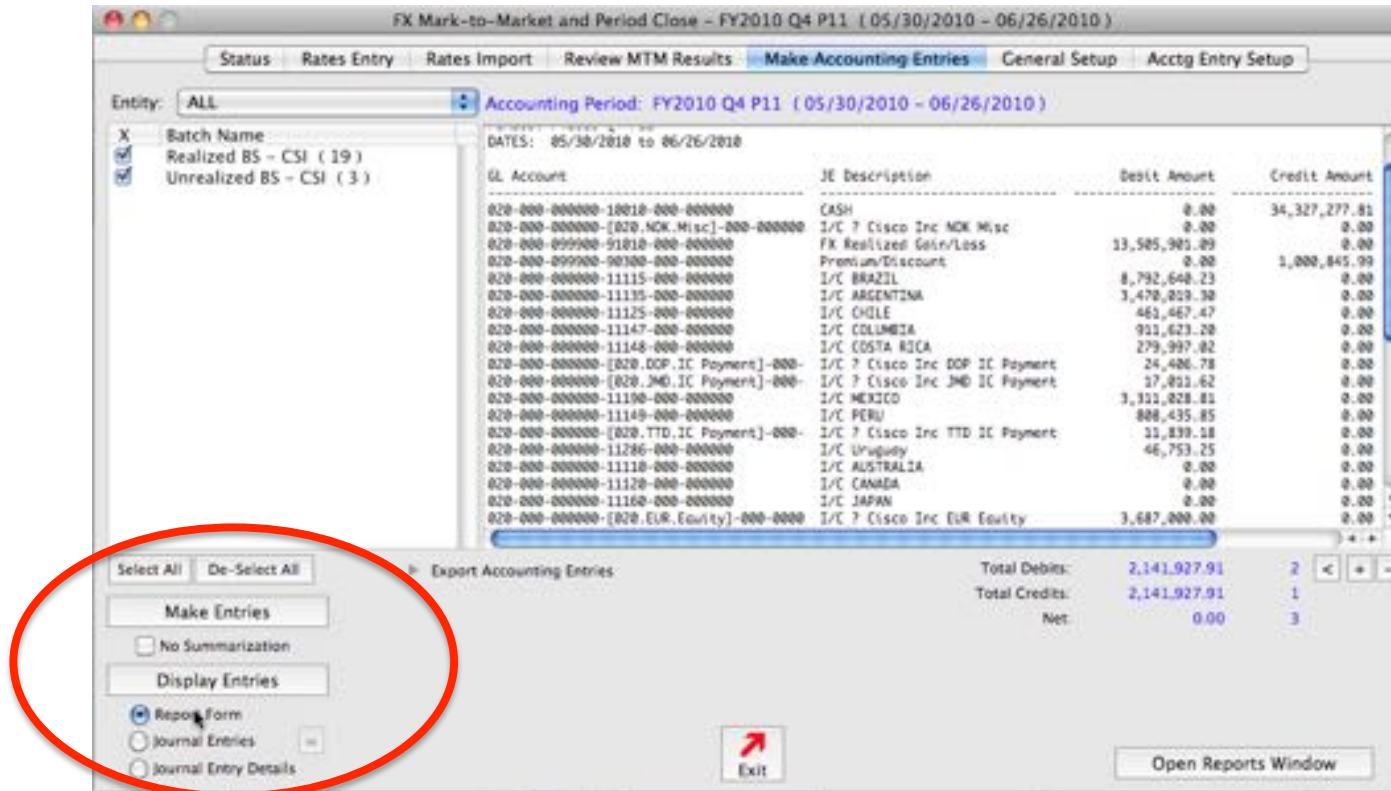
- The “FX Mark-to-Market” window opens
- The current fiscal period is automatically selected. Entity status lines are displayed
- Recent accounting periods are listed on the left
- Select a period by clicking on one of the periods in the list
- To select the current fiscal period, click the “Select Current FP” button
- When the status for a selected period appears in the state shown above (data check and option FMV flagged as complete), you are ready to proceed with accounting

FX Accounting



- Go to the “Make Accounting Entries” tab
- Accounting is performed in batches. A batch represents a common set of journal entries that comprise a “Journal”.
- Available batches appear on the left (red circle)
- You may filter the batches list by selecting from the “Entities” drop down menu
- Select the batches you wish to run by clicking the check-box next to each batch
- You may also use the “Select All” and “De-Select All” buttons located at the bottom of the batches list

FX Accounting



- Select the batches you wish to run
- Press the “Make Entries” button
- Orbit generates entries based on the batches setup on the “Acctg Entry Setup” tab
- Status is displayed as journals are generated. This process takes several seconds to complete
- Select one of the display type radio buttons
- Press the “Display Entries” button. The batch/journal is displayed.

FX Accounting

FX Mark-to-Market and Period Close - FY2010 Q4 P11 (05/30/2010 - 06/26/2010)

Status Rates Entry Rates Import Review MTM Results **Make Accounting Entries** General Setup Acctg Entry Setup

Entity: ALL Accounting Period: FY2010 Q4 P11 (05/30/2010 - 06/26/2010)

BATCH: Realized BS - CSI
 FILEID: Realized_BS_CSI_2010411
 ENTITY: Cisco Inc
 PERIOD: FY2010 Q4 P11
 DATES: 05/30/2010 to 06/26/2010

| GL Account | JE Description | Debit Amount | Credit Amount | Net Debits/Credits |
|--|--------------------------------|---------------|---------------|--------------------|
| 820-000-000000-10010-000-000000 | CASH | 0.00 | 34,327,277.81 | (34,327,277.81) |
| 820-000-000000-[820.ACK.Misc]-000-000000 | I/C ? Cisco Inc NOK Misc | 0.00 | 0.00 | (0.00) |
| 820-000-000000-91010-000-000000 | FX Realized Gain/Loss | 13,505,901.09 | 0.00 | 13,505,901.09 |
| 820-000-000000-90100-000-000000 | Premium/Discount | 0.00 | 1,000,845.99 | (1,000,845.99) |
| 820-000-000000-11115-000-000000 | I/C BRAZIL | 8,792,640.23 | 0.00 | 8,792,640.23 |
| 820-000-000000-11135-000-000000 | I/C ARGENTINA | 3,470,019.30 | 0.00 | 3,470,019.30 |
| 820-000-000000-11125-000-000000 | I/C CHILE | 461,467.47 | 0.00 | 461,467.47 |
| 820-000-000000-11147-000-000000 | I/C COLUMBIA | 911,623.20 | 0.00 | 911,623.20 |
| 820-000-000000-11148-000-000000 | I/C COSTA RICA | 279,997.02 | 0.00 | 279,997.02 |
| 820-000-000000-[820.DCP.IC Payment]-000- | I/C ? Cisco Inc DCP IC Payment | 24,406.78 | 0.00 | 24,406.78 |
| 820-000-000000-[820.JMD.IC Payment]-000- | I/C ? Cisco Inc JMD IC Payment | 17,011.62 | 0.00 | 17,011.62 |
| 820-000-000000-11190-000-000000 | I/C MEXICO | 3,311,028.81 | 0.00 | 3,311,028.81 |
| 820-000-000000-11149-000-000000 | I/C PERU | 808,435.85 | 0.00 | 808,435.85 |
| 820-000-000000-[820.TTD.IC Payment]-000- | I/C ? Cisco Inc TTD IC Payment | 11,839.18 | 0.00 | 11,839.18 |
| 820-000-000000-11286-000-000000 | I/C URUGUAY | 46,753.25 | 0.00 | 46,753.25 |

Select All De-Select All Export Accounting Entries

Make Entries
 No Summarization
 Display Entries
 Report Form
 Journal Entries
 Journal Entry Details

Exit

Open Reports Window

Total Debits: 2,141,927.91
 Total Credits: 2,141,927.91
 Net: 0.00

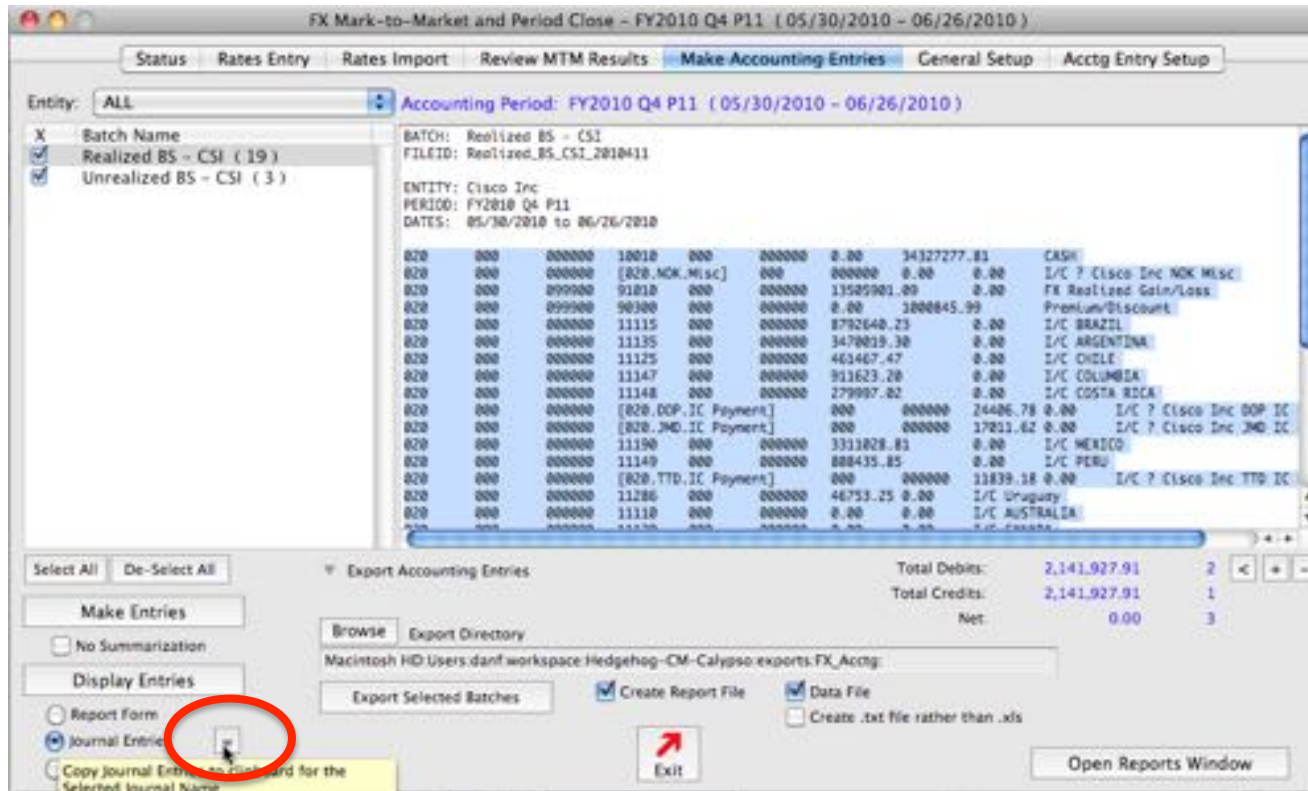
2
1
3

- Use these buttons to expand or shrink the display area
- The + and – button will increase or decrease the font size used in the display

FX Accounting

- The “Report Form” shows the journal in a human readable form
- The “Journal Entries” form, show entries in a form suitable for import into your General Ledger
- Click the disclosure button labeled “Export Accounting Entries”
- This displays controls used to export journal entries.
 - If “Create Report File” is checked, the export will create a file showing entries in human readable form
 - If “Data file” is checked, a file will be created with entries in your General Ledger format
 - Separate files will be created for each of the selected batches

FX Accounting



- Select the “Journal Entries” display form
- Highlight/Select one of the selected batches
- When you click on the “=” button, Orbit will select the data lines for that batch and copy them to your clipboard
- You can then paste those data lines into your General Ledger import template
- This provides an alternative to exporting entries for G/L import

FX Accounting – Batches Setup

Entity Filter: ALL

FX Accounting Batches
Realized BS - CSI
Unrealized BS - CSI

Batch Name: Realized BS - CSI
Entity: Cisco Inc
File Name: Realized_BS_CSI_[FP]
Batch ID:
Notes:

Journal Entry Name: FX Realized BS - 01IC
JE Name: FX Realized BS - 01IC
JID: 0802-320-IOKERE-68624
Trade Status: ACQUIRED and MATURED/MATURED
Source: realized_booking_amt
Book positive (+) amts as: CREDIT
GL Account: [COMP]-000-000000-[ICACCT]-000-000000
JE Description: [CDESC]

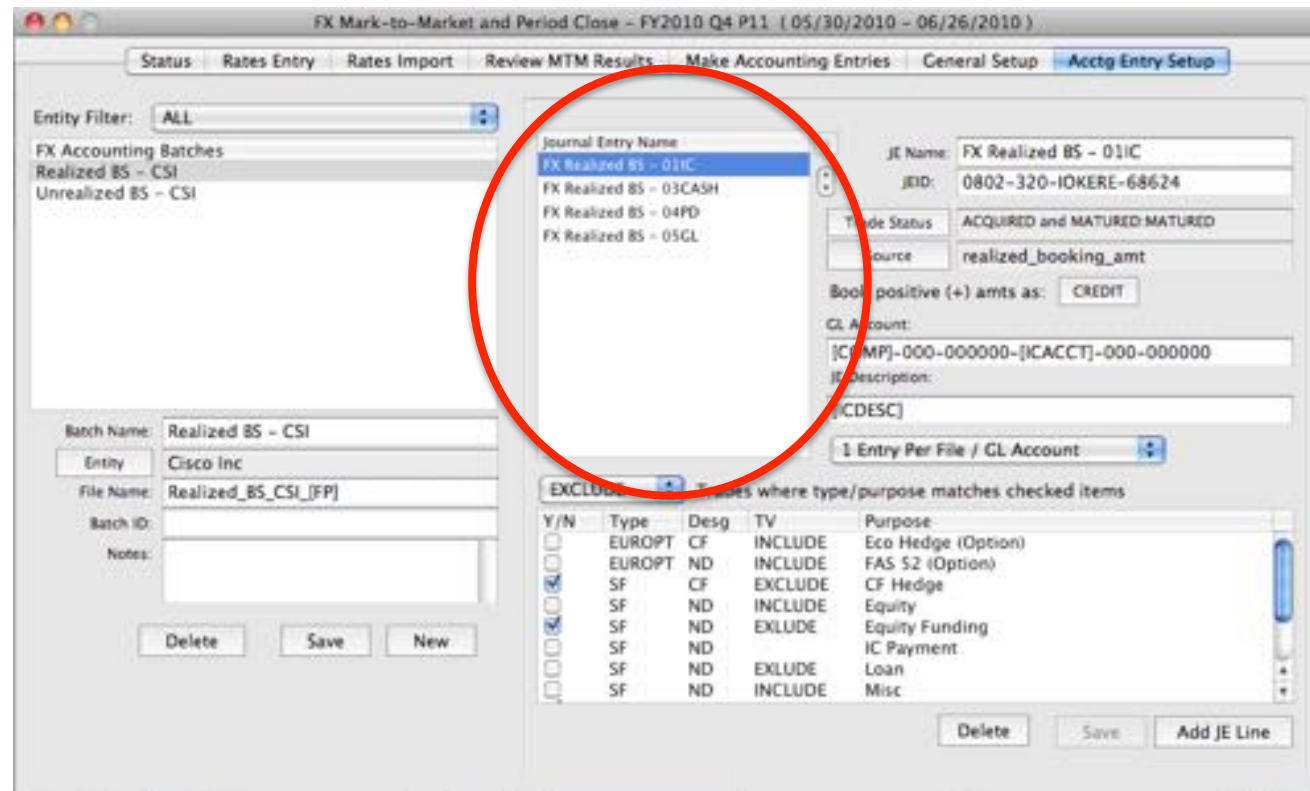
1 Entry Per File / GL Account

| Y/N | Type | Desg | TV | Purpose |
|-------------------------------------|--------|------|---------|--------------------|
| <input type="checkbox"/> | EUROPT | CF | INCLUDE | Eco Hedge (Option) |
| <input type="checkbox"/> | EUROPT | ND | INCLUDE | FAS 52 (Option) |
| <input checked="" type="checkbox"/> | SF | CF | EXCLUDE | CF Hedge |
| <input type="checkbox"/> | SF | ND | INCLUDE | Equity |
| <input checked="" type="checkbox"/> | SF | ND | EXCLUDE | Equity Funding |
| <input type="checkbox"/> | SF | ND | | IC Payment |
| <input type="checkbox"/> | SF | ND | EXCLUDE | Loan |
| <input type="checkbox"/> | SF | ND | INCLUDE | Misc |

Delete Save Add JE Line

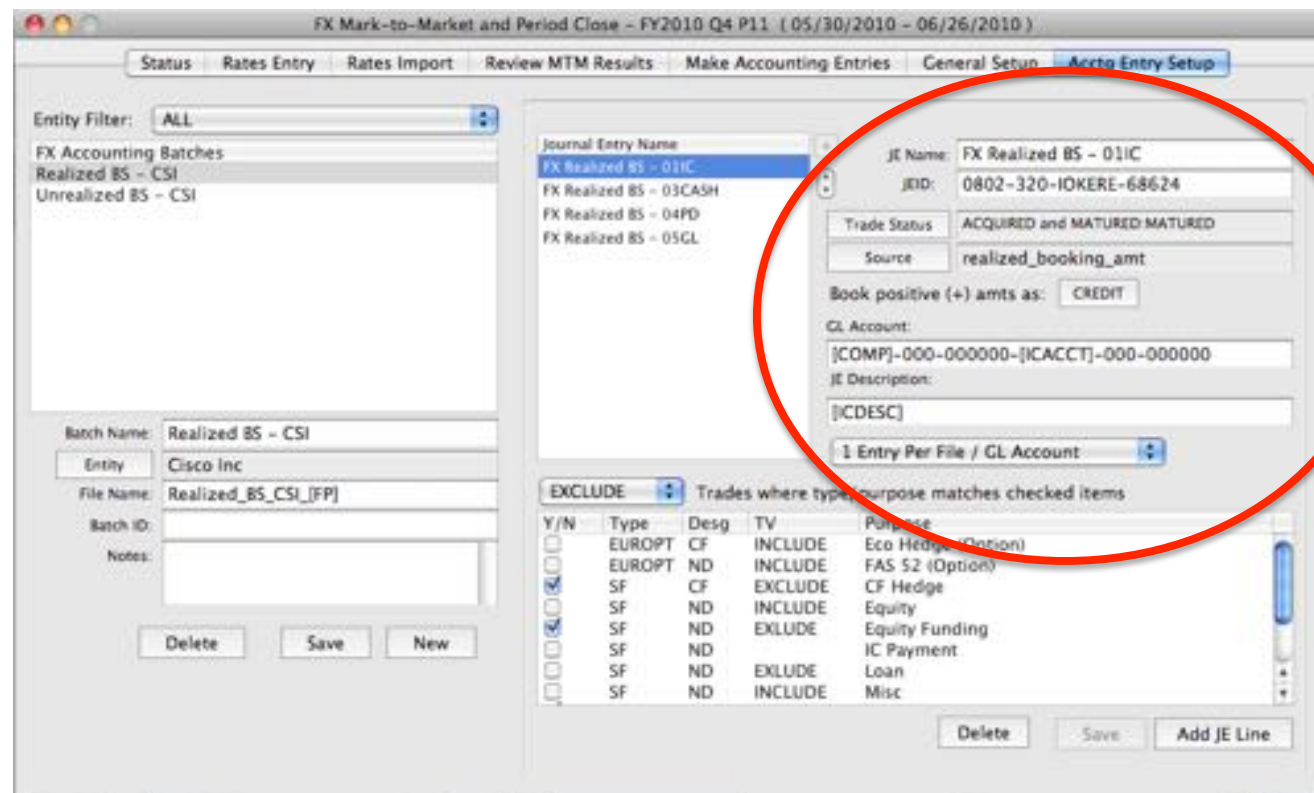
- Setup or modify accounting batches on the “Acctg Entry Setup” tab
- Select a batch you edit (“Realized BS – CSI” in this example)
- The Batch has a name, an Entity and File Name

FX Accounting – Batches Setup



- A batch is composed of one or more journal entries
- Select a journal entry line for editing

FX Accounting – Batches Setup



- A Journal Entry line includes rules Orbit uses to generate the journal entry
- These rules apply to MTM results. Orbit visits each MTM trade result record to apply these rules
- Trade Status
 - Orbit looks at the trade status of each MTM entry. In this example we are only interested in trades that MATURED in the period
- Source
 - Source refers to the MTM value that will be used as the value for this entry. Here we are selecting the “realized_booking_amt”

FX Accounting – Batches Setup

Entity Filter: ALL

FX Accounting Batches
Realized BS - CSI
Unrealized BS - CSI

Batch Name: Realized BS - CSI
Entity: Cisco Inc
File Name: Realized_BS_CSI_FP
Batch ID:
Notes:

Journal Entry Name: FX Realized BS - 01IC
JE Name: FX Realized BS - 01IC
JID: 0802-320-IOKERE-68624
Trade Status: ACQUIRED and MATURED MATURED
Source: realized_booking_amt
Book positive (+) amts as: CREDIT
GL Account: [COMP]-000-000000-[ICACCT]-000-000000
JE Description: [CDESC]
1 Entry Per File / GL Account

EXCLUDE Trades where type/purpose matches checked items

| Y/N | Type | Desg | TV | Purpose |
|-------------------------------------|--------|------|---------|--------------------|
| <input type="checkbox"/> | EUROPT | CF | INCLUDE | Eco Hedge (Option) |
| <input type="checkbox"/> | EUROPT | ND | INCLUDE | FAS 52 (Option) |
| <input checked="" type="checkbox"/> | SF | CF | EXCLUDE | CF Hedge |
| <input type="checkbox"/> | SF | ND | INCLUDE | Equity |
| <input checked="" type="checkbox"/> | SF | ND | EXCLUDE | Equity Funding |
| <input type="checkbox"/> | SF | ND | | IC Payment |
| <input type="checkbox"/> | SF | ND | EXCLUDE | Loan |
| <input type="checkbox"/> | SF | ND | INCLUDE | Misc |

Delete Save Add JE Line

- Book positive (+) amts as
 - MTM results report gains as positive numbers and losses as negative numbers
 - This setting allows you to direct how Orbit should convert that view to DEBITS/CREDITS
 - In this case, positive numbers, will be converted to CREDITS

FX Accounting – Batches Setup

Entity Filter: ALL

FX Accounting Batches
Realized BS - CSI
Unrealized BS - CSI

Batch Name: Realized BS - CSI
Entity: Cisco Inc
File Name: Realized_BS_CSI_FP
Batch ID:
Notes:

Journal Entry Name: FX Realized BS - 01IC
JE Name: FX Realized BS - 01IC
JID: 0802-320-IOKERE-68624
Trade Status: ACQUIRED and MATURED MATURED
Source: realized_booking_amt

GL Account: [COMP]-000-000000-[ICACCT]-000-000000

[ICDESC]

1 Entry Per File / GL Account

| Y/N | Type | Desg | TV | Purpose |
|-------------------------------------|--------|------|---------|--------------------|
| <input type="checkbox"/> | EUROPT | CF | INCLUDE | Eco Hedge (Option) |
| <input type="checkbox"/> | EUROPT | ND | INCLUDE | FAS 52 (Option) |
| <input checked="" type="checkbox"/> | SF | CF | EXCLUDE | CF Hedge |
| <input type="checkbox"/> | SF | ND | INCLUDE | Equity |
| <input checked="" type="checkbox"/> | SF | ND | EXCLUDE | Equity Funding |
| <input type="checkbox"/> | SF | ND | | IC Payment |
| <input type="checkbox"/> | SF | ND | EXCLUDE | Loan |
| <input type="checkbox"/> | SF | ND | INCLUDE | Misc |

- GL Account
 - Provide a template Orbit will use to convert into a GL Account number
 - [COMP] will translate into the Entity company number
 - [ICACCT] will translate into the Inter-company account number (details described in one of the following slides)
 - [ICCOMP] will translate into the company number of the counter party of an intercompany transfer

FX Accounting – Batches Setup

FX Mark-to-Market and Period Close – FY2010 Q4 P11 (05/30/2010 – 06/26/2010)

Status Rates Entry Rates Import Review MTM Results Make Accounting Entries General Setup **Acctg Entry Setup**

Entity Filter: ALL

FX Accounting Batches
Realized BS - CSI
Unrealized BS - CSI

Batch Name: Realized BS - CSI
Entity: Cisco Inc
File Name: Realized_BS_CSI_FP
Batch ID:
Notes:

Journal Entry Name
FX Realized BS - 01IC
FX Realized BS - 03CASH
FX Realized BS - 04PD
FX Realized BS - 05GL

JE Name: FX Realized BS - 01IC
JID: 0802-320-IOKERE-68624
Trade Status: ACQUIRED and MATURED MATURED
Source: realized_booking_amt
Book positive (+) amts as: CREDIT
GL Account: [COMP_000_000000] [EASCFI_000_000000]
JE Description: [ICDESC]

EXCLUDE Trades where type/purpose matches checked items

| Y/N | Type | Desg | TV | Purpose |
|-------------------------------------|--------|------|---------|--------------------|
| <input type="checkbox"/> | EUROPT | CF | INCLUDE | Eco Hedge (Option) |
| <input type="checkbox"/> | EUROPT | ND | INCLUDE | FAS 52 (Option) |
| <input checked="" type="checkbox"/> | SF | CF | EXCLUDE | CF Hedge |
| <input type="checkbox"/> | SF | ND | INCLUDE | Equity |
| <input checked="" type="checkbox"/> | SF | ND | EXCLUDE | Equity Funding |
| <input type="checkbox"/> | SF | ND | | IC Payment |
| <input type="checkbox"/> | SF | ND | EXCLUDE | Loan |
| <input type="checkbox"/> | SF | ND | INCLUDE | Misc |

Delete Save Add JE Line

- JE Description
 - Provide a string Orbit will use as the Journal Entry line description
 - The JE Description may include the following symbols
 - [ICDESC] – translates into an inter-company description (see following slides for details)
 - [TRADEID] – translates into the trade number
 - [FP] – translates into the Fiscal Period
 - [PURPOSE_CODE] – translates into the trade purpose/strategy code
 - [PURPOSE_DESC] – translates into the trade purpose/strategy name

FX Accounting – Batches Setup

Entity Filter: ALL

FX Accounting Batches
Realized BS - CSI
Unrealized BS - CSI

Batch Name: Realized BS - CSI
Entry: Cisco Inc
File Name: Realized_BS_CSI_FP
Batch ID:
Notes:

Journal Entry Name
FX Realized BS - 01IC
FX Realized BS - 03CASH
FX Realized BS - 04PD
FX Realized BS - 05GL

JE Name: FX Realized BS - 01IC
JID: 0802-320-IOKERE-68624
Trade Status: ACQUIRED and MATURED-MATURED
Source: realized_booking_amt
Book positive (+) amts as: CREDIT
GL Account: [COMP]-000-000000-[ICACCT]-000-000000
JE Description: [ICACCT]

1 Entry Per File / GL Account

| Y/N | Type | Desg | TV | Purpose |
|-------------------------------------|--------|------|---------|--------------------|
| <input type="checkbox"/> | EUROPT | CF | INCLUDE | Eco Hedge (Option) |
| <input type="checkbox"/> | EUROPT | ND | INCLUDE | FAS 52 (Option) |
| <input checked="" type="checkbox"/> | SF | CF | EXCLUDE | CF Hedge |
| <input type="checkbox"/> | SF | ND | INCLUDE | Equity |
| <input checked="" type="checkbox"/> | SF | ND | EXCLUDE | Equity Funding |
| <input type="checkbox"/> | SF | ND | EXCLUDE | IC Payment |
| <input type="checkbox"/> | SF | ND | EXCLUDE | Loan |
| <input type="checkbox"/> | SF | ND | INCLUDE | Misc |

- Tell Orbit how you want summarization to occur
 - 1 Entry Per Trade – No summarization
 - 1 Entry Per File / GL Account – Each unique GL Account appears once summarizing debits/credits in that account
 - 1 Entry Per File / Strategy / GL Account – Same as the above, but broken out by trade purpose
 - 1 Entry Per File / Strategy / Currency / GL Account – 1 line for each GL Account, Trade Purpose and Currency

FX Accounting – Batches Setup

Entity Filter: ALL

FX Accounting Batches
Realized BS - CSI
Unrealized BS - CSI

Batch Name: Realized BS - CSI
Entity: Cisco Inc
File Name: Realized_BS_CSI_FP
Batch ID:
Notes:

Journal Entry Name
FX Realized BS - 01IC
FX Realized BS - 03CASH
FX Realized BS - 04PD
FX Realized BS - 05GL

JE Name: FX Realized BS - 01IC
JEID: 0802-320-IOKERE-68624
Trade Status: ACQUIRED and MATURED-MATURED
Source: realized_booking_amt
Book positive (+) amts as: CREDIT
GL Account: [COMP]-000-000000-[ICACCT]-000-000000
JE Description: [CDESC]
1 Entry Per File / GL Account

EXCLUDE Trades where type/purpose matches checked items

| Y/N | Type | Desg | TV | Purpose |
|-------------------------------------|--------|------|---------|--------------------|
| <input type="checkbox"/> | EUROPT | CF | INCLUDE | Eco Hedge (Option) |
| <input type="checkbox"/> | EUROPT | ND | INCLUDE | FAS 52 (Option) |
| <input checked="" type="checkbox"/> | SF | CF | EXCLUDE | CF Hedge |
| <input checked="" type="checkbox"/> | SF | ND | INCLUDE | Equity |
| <input checked="" type="checkbox"/> | SF | ND | EXCLUDE | Equity Funding |
| <input type="checkbox"/> | SF | ND | | IC Payment |
| <input type="checkbox"/> | SF | ND | EXCLUDE | Loan |
| <input type="checkbox"/> | SF | ND | INCLUDE | Misc |

Delete Save New

Delete Save Add JE Line

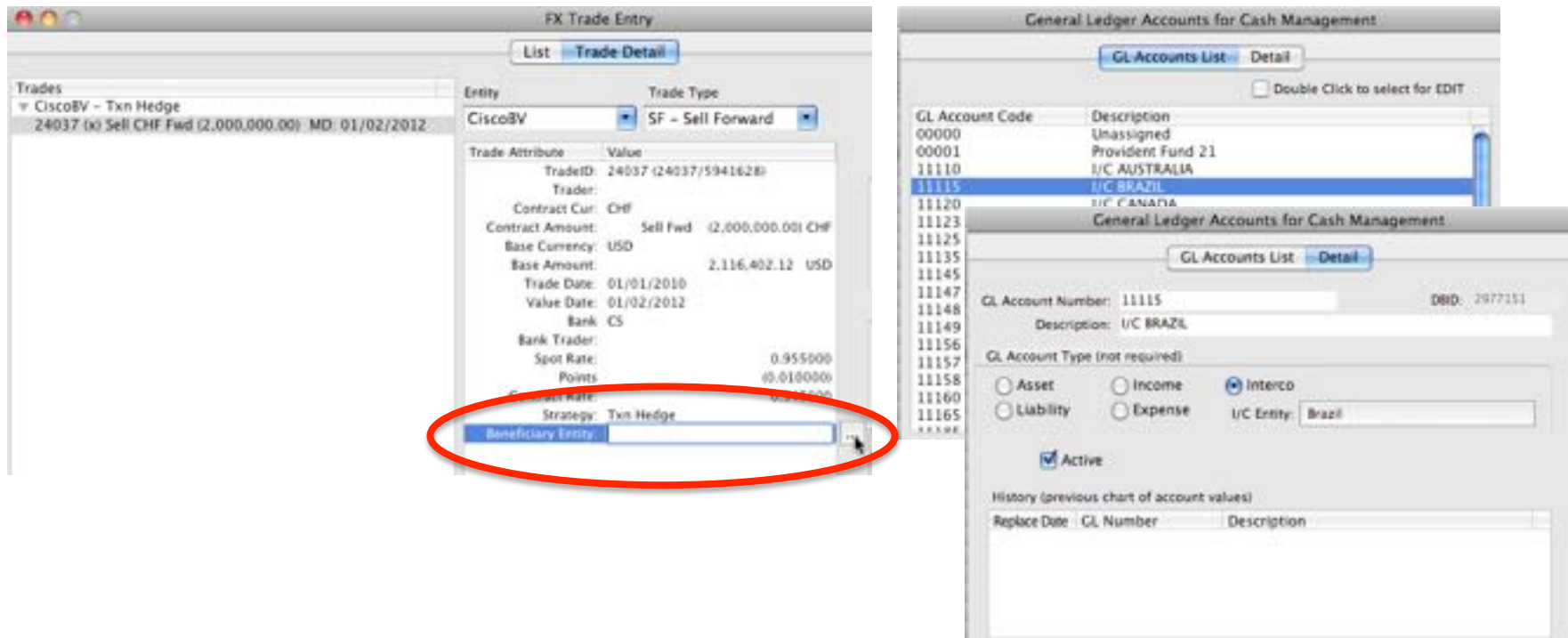
- INCLUDE or EXCLUDE specific Trade Purpose codes
 - INCLUDE will include all of the selected Trade Purpose values
 - EXCLUDE will exclude all of the selected Trade Purpose values. When you exclude, you are including everything that is not selected
 - Select Trade Purpose to include/exclude by setting the checkbox

FX Accounting – [ICACCT]

The screenshot displays two windows from the Oracle Financials application. The left window, titled 'FX - Setup IC Funding Cash Forecast', shows a list of funding entities for 'Cisco Inc.' and a table of funding methods. The 'IC Transfer GL Account' field is highlighted with a red circle and contains the value '11115'. The right window, titled 'General Ledger Accounts for Cash Management', shows a list of GL accounts. The account with code '11115' and description 'I/C BRAZIL' is selected. A detailed view of this account shows it is an 'Interco' type account for the 'Brazil' entity.

- Orbit attempts to resolve [ICACCT] through several methods
- The first attempt looks to the IC Funding instance that created the trade. Orbit looks up the IC Funding relationship and uses the “IC Transfer GL Account” it finds there
- The IC GL Account value is setup in the GL Accounts table. Select “GL Accounts Setup” from the “Setup” menu
- 11115 appears in the GL Accounts list
- The setup tells us that it’s GL Account Type is “Interco” and that it’s “I/C Entity” is “Brazil”
- If a trade is not associated with an IC Funding instance, Orbit will use the information in the “GL Accounts” table in further attempts to resolve [ICACCT]

FX Accounting – [ICACCT]



- If the first attempt fails, Orbit looks at the entity defined as the trade “Beneficiary Entity”
- That entity is then used to lookup the GL Account where the type is “Interco” and the “I/C Entity” matches the trade “Beneficiary Entity”

FX Accounting – [ICACCT]

| Short Name | Full Name | Cur | Parent | Div |
|--------------------|---|-----|---------------|-----|
| > Algeria | EUURL/ Cisco Systems Algeria | DZD | | |
| > Andiamo | Andiamo Software Systems Pvt Ltd | USD | | |
| > Argentina | Cisco Systems Argentina | ARS | | 106 |
| > Asia Services | Asia Services BV – India Branch | USD | | |
| > Australia | Cisco Systems Australia Pty. Ptd | AUD | | 115 |
| > Austria | Cisco Systems GMBH (Austria) | EUR | | 530 |
| > Azerbaijan | Cisco Systems Azerbaijan | AZN | | 601 |
| > Belgium | Cisco Systems Belgium S.A. | EUR | | 510 |
| > Bosnia | Cisco Systems Bosnia | EUR | | |
| > Brazil | Cisco do Brasil Ltda. | BRL | | 187 |
| > Brazil Capital | Cisco do Brasil Ltda | BRL | | 187 |
| > Brazil Services | Cisco Servicos do Brasil Ltda | BRL | | 187 |
| > Bulgaria | Cisco Bulgaria | BGN | | 571 |
| > CIL | Cisco International Limited | USD | | 624 |
| > COTGer | COT Germany | EUR | | |
| > CS Lux Intl sarl | Cisco Systems Luxembourg International s.r.a.l. | USD | | 512 |
| > CS Lux sarl | Cisco Systems Luxembourg s.r.a.l. | USD | | 511 |
| > CS Management BV | Cisco Systems Management B.V. | USD | | 556 |
| > CS Neth Hold BV | Cisco Systems Netherlands Holding BV | USD | Cisco Bermuda | 549 |
| > CS Swiss Inv | Cisco Systems (Switzerland) Investments Ltd. | USD | | 576 |
| > CSBE | Cisco BV CSBE | EUR | | |
| > CSC India Pte | Cisco Capital Capital (India) Private Limited | INR | CSI Mauritius | 174 |
| > CSC Korea | Cisco Capital Korea | KRW | | |
| > CSCC | Cisco Capital Corp Canada | USD | | 025 |

General Ledger Accounts for Cash Management

GL Accounts List [Detail](#)

GL Account Number: 11115 DBD: 2077151

Description: I/C BRAZIL

GL Account Type (not required):

Asset Income Interco

Liability Expense I/C Entity: Brazil

Active

History (previous chart of account values)

| Replace Date | GL Number | Description |
|--------------|-----------|-------------|
|--------------|-----------|-------------|

- If the second attempt fails, Orbit tries one last search
 - Get the contract currency from the trade
 - Look up all entities whose functional currency equals the trade contract currency
 - For each of those entities, look up in GL Accounts where GL Account Type equals “Interco” and “I/C Entity” matches
 - Pick the first one that matches in GL Accounts