

OneSumX[®] IFRS 9

The International Accounting Standards Board (IASB) IFRS 9 project, which intends to replace the current IAS 39 standard, addresses classification and measurement, impairment methodology and hedge accounting. The implementation of the new full IFRS 9 standard will have a considerable impact not only on IT systems, but also on people, policies and procedures.

Our IFRS 9 functionality is part of our comprehensive and modular OneSumX IFRS solution, which provides the financial industry with a solid framework to capture and store all relevant contractual information, manage events and transactions, IFRS calculations, accounting generation and processing up to the delivery of the disclosures.

Specific IFRS 9 functionality includes:

Classification and measurement

In support of the classification and measurement within IFRS 9, our solution includes:

- A 'cash-flow characteristic' test to assess eligibility to measurement at amortized cost.
- Pre-defined IFRS 9 classification business rules
- An amortized cost-calculation engine with built-in support for debt restructuring, below-market loans and wide variety of product lifetime events
- Fair value measurement techniques
- Support for storing and reporting on the Fair Value Hierarchies (IFRS 13)
- A complete set of IFRS 9 compliant accounting schemes

Impairment and the expected credit losses model

In support of the expected credit losses model within IFRS 9, our solution will include:

- Historical tracking of movements between any of the three stages on a portfolio and individual level
- Accounting schemes that include the logic for the expected credit losses over the full instrument's lifecycle
- Support for calculation and subsequent accounting processing of credit-adjusted effective interest rate (EIR), amortized cost and effective interest for purchased or originated credit-impaired instruments

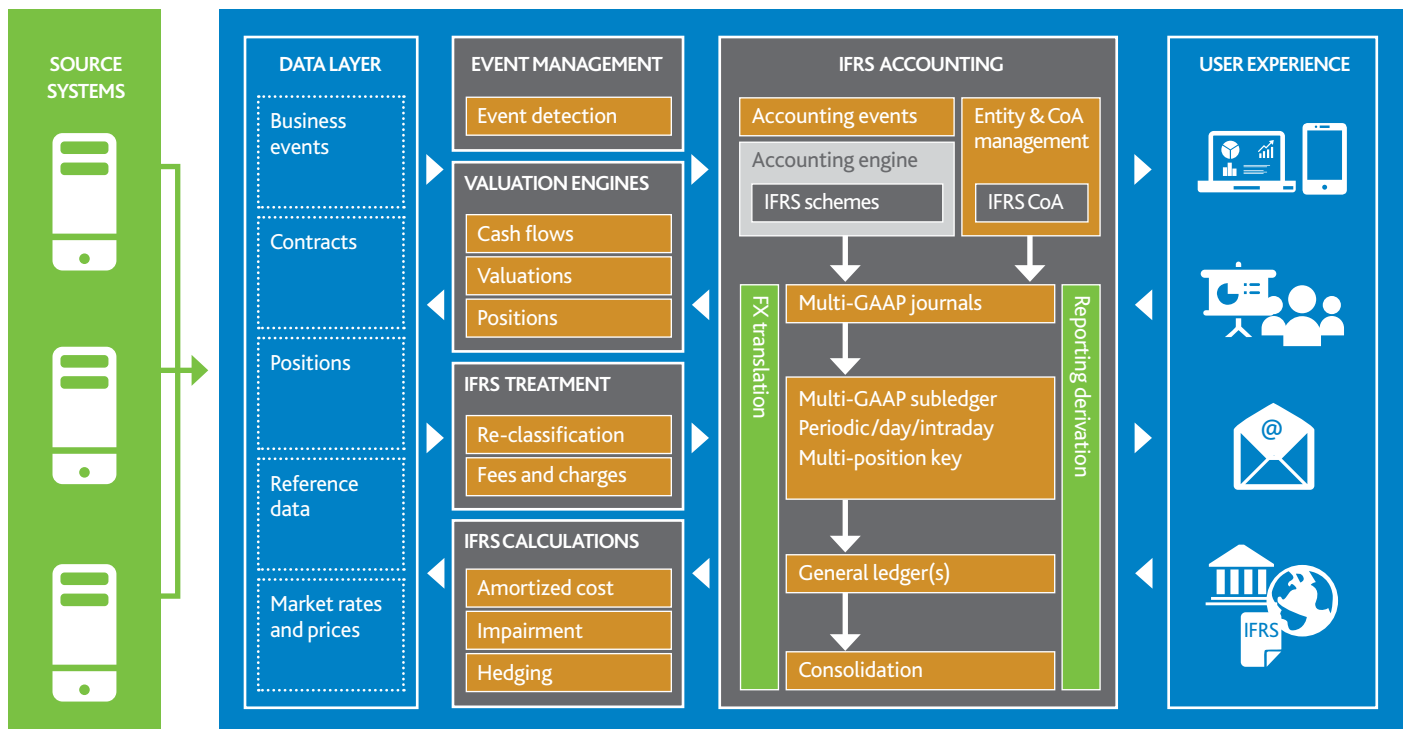
Hedge accounting

We are monitoring the development of the ongoing hedge accounting project, assessing the impact that the new hedge accounting standard will have on our existing IAS 39 hedge accounting solution and matching it to maintain compliance with the new model.

Disclosures requirements

- We support the IFRS regulatory disclosures for many local supervisors across the globe, such as Europe's FINREP.
- By combining the lifecycle information on each individual financial instrument with a transparent and auditable contract level IFRS subledger and powerful reporting tools, positions us for full compliance with IFRS 9 and other IFRS disclosures. The solution offers full transparency and traceability that fully satisfies internal and external audit needs.

OneSumX IFRS Functional Architecture



✓ Data validation	✓ Reconciliation	✓ History management	✓ Workflow
✓ Data enrichment	✓ Security/access control	✓ Documentation	✓ Web based
✓ Audit trail	✓ Version control	✓ Business rules	✓ Open and exportable

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