

Wallstreet Suite

Comprehensive, cross-asset investment and debt management solutions for financial institutions and corporations

www.wallstreetsystems.com



FACT SHEET: ACCOUNTING



The Wallstreet Suite accounting solution offers a flexible on-demand approach to accounting at a global level and is an integral part of the treasury business process. Supporting multiple frameworks to meet the evolving needs of treasury accountants, Wallstreet Suite provides an automated solution resulting in greater transparency and control.

BUSINESS CHALLENGES

Organizations operating globally have been using multiple reporting frameworks for many years. Handling various complex accounting standards at the 'back-end', when exporting the accounting entries to the external ledger, is labor intensive and open to error and the new requirements for derivative accounting, introduced in standards such as IAS 39 and FAS 133, have greatly influenced trading and how the transactions are treated in the treasury and risk management system at the 'front-end'. Due to the introduction of various hedge accounting requirements, the need for robust system support has increased greatly.

Accountants now require greater control and transparency. With more emphasis on global reporting and a much greater focus on compliance issues, the role of treasury accounting is no longer seen as an independent end-of-day or end-of-month batch process. It has become an integral business process with an increased degree of awareness and focus. Accountants need visibility of recently traded positions and they need to measure the impact those positions have on the balance sheet and the P&L. While gaining greater control and transparency accountants must also find means to reduce operational costs.

Flexibility is key. Treasury accountants require a flexible approach with regard to the treatment of financial instruments. Both local and client specific interpretations of accounting treatments are required from the balance sheet breakdown right through to realized and unrealized profit and loss results. Accountants also require a flexible approach to treasury accounting that allows for all support levels from a simple 'posting engine' to a full treasury sub-ledger.

KEY FEATURES

MULTIPLE ACCOUNTING FRAMEWORKS

Wallstreet Suite's accounting solution supports multiple GAAP standards and runs full accounting for a single position according to multiple standards in parallel. There is no longer a need to input multiple deals. With key rules defined, single positions can be entered. Multiple realized and unrealized results and selling treatments can be handled together with multiple posting rules and classifications.

The following specific treatments for one single Unlisted Equity Investment transaction demonstrate parallelization:

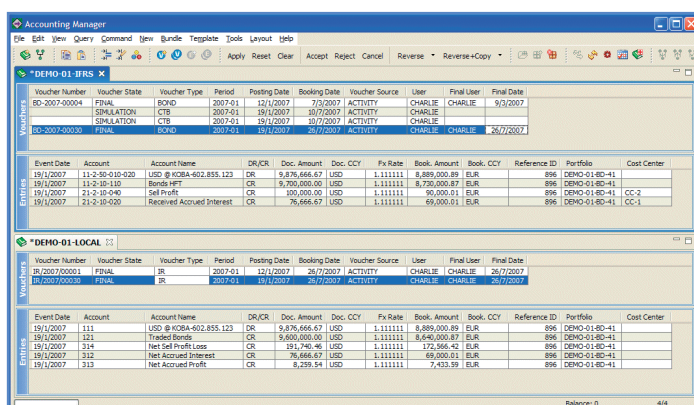
Reporting Frameworks	Classification	Accounting Treatment
IFRS	Available for sale	Fair Value, FIFO
FAS	Other investment	Lower of Amortized Cost/Impaired Value, Average Balance
Local	Current assets	Lower of Cost or Market Value

Using accounting treatment mode views, you can view your parallel treatments in the transaction board and see the underlying impact of GAAP treatments at the cash flow level, whilst maintaining the integrity of the transactions for a front and middle office perspective.

ACCOUNTING MANAGER

Accounting Manager in Wallstreet Suite is the hub for all core treasury accounting – a flexible tool for management and control. Here you can manually run the daily bookkeeping and closing the book processes instead of running it automatically as a batch process. You can monitor, amend, process and delete journal vouchers as well as create them manually. In order to see the immediate impact of recently traded positions on the balance sheet and the P&L, journal entries can be created in a simulation state and account balance snapshots reviewed. At all times it is possible to drilldown to the underlying transaction data.

Accounting Manager demonstrating accounting for a single bond transaction according to multiple standards in parallel.



AUTOMATED ACCOUNTING PROCESS

The automated accounting process follows clear steps. Once a deal is entered, accounting inputs or 'triggers' are generated. From these inputs, accounting values (also referred to as 'events') are generated and mapped according to user-defined posting rules. A journal voucher is then generated. Once the entry is in the state 'Final', the journal voucher is posted to either the internal ledger or to an external ledger.

Different types of accounting processes

Running journals for Daily Bookkeeping	<ul style="list-style-type: none">— Trade date, value date and off-balance sheet postings— Posting of cash according to reconciliation status
Closing the Books journals for End of Period Processing	<ul style="list-style-type: none">— Accruals, Amortizations and Valuations— Period Processing can be 'periodic' or 'cumulative'

CHART OF ACCOUNTS

Wallstreet Suite's chart of account functionality is designed to support accounting globally throughout the organization, and is based on a combination of charts, accounts and accounting configuration. The chart of accounts supports three key chart definitions:

- master charts – where a single chart is used across the group;
- master charts with extensions – where a single chart is used across the group, whilst allowing entities to make local extensions to account numbers; and
- single charts – where each entity has its own unique chart.

The accounts can be structured in a clear hierarchical format to mirror your own balance sheet and P&L configuration. Account breakdown allows for the automatic creation of sub-accounts according to a specific dimension and there can be many dimensions, for example, counterparty, currency and instrument. Due to the simplification of the chart configuration and maintenance, there is no need to manually define rules for every possible counterparty, currency, instrument and so on.

Reporting and Revenue Recognition Requirements in IFRS and US GAAP

Wallstreet Suite supports the Reporting Classification for FAS 115, IAS 32 and recently IFRS 7. It allows for the asset and liability classification to drive accounting treatment, for example:

- Available for Sale Securities for FAS and IFRS – specific rules can be defined for the posting of changes in fair value to equity
- Financial Instruments at fair value for FAS or Local GAAP – specific rules can be defined for the posting of changes in fair value to the P&L
- Financial Instruments at amortized cost – specific rules can be defined for holding such assets and liabilities at amortized cost, namely, accrued book value incorporation and effective interest rate amortization/accretion of discounts/premiums.

The accounting configuration makes it possible to define ledgers according to accounting treatments, where each ledger is a combination of entity, chart of accounts, accounting treatment, period set and functional/booking currency. The configuration also enables posting rules to be flexibly mapped and for rate scenarios to be set for each entity. Security is also user-definable at the ledger level.

INTERNAL SUB-LEDGER

In Wallstreet Suite's accounting solution, journal vouchers can be posted to an external general ledger as well as to internal sub-ledgers.

Wallstreet Suite's internal sub-ledger makes it possible to maintain any number of ledgers and allows for the simulation of treasury ledger positions within treasury, often offering a higher level of granularity than the company general ledger.

The full treasury internal sub-ledger supports backdating entry control, end of period closing, end of year closing, balance revaluation, export to general ledger and FAS 52/IAS 21 translational currency support for reporting. The functionality also supports consolidation ready reporting.

REPORTING

Wallstreet Suite's flexible reporting tool provides user-configurable reports for all the typical accounting reporting, from voucher reports to trial balances and exception handling reports. Examples of standard reports include:

- Hedge Accounting Reports and Classification Reporting
- Time to Maturity Analysis Reports
- Posting Journal Reports
- Static Data and Static Data Verification Reports
- Balance Query Reports
- Sub-Ledger Reports for P&L and Balance Sheet
- Trial Balance Reports with drill down



BUSINESS CHALLENGE

WALLSTREET SUITE SOLUTION

MULTIPLE REPORTING

- ▶ Wallstreet Suite accounting supports multiple GAAP standards and allows multiple accounting treatments for one single position in parallel.

GREATER CONTROL AND TRANSPARENCY

- ▶ Wallstreet Suite Accounting Manager offers immediate access to recently traded positions and displays their impact on the balance sheet and P&L. A single system for front office and accounting ensures full transparency and maximum automation.

OPERATIONAL COST REDUCTION

- ▶ Wallstreet Suite allows you to automate most of the accounting processes, not only by scheduling various accounting tasks in the task scheduler but by offering straight through processing from front office to accounting, eliminating labor intensive and error-prone manual processing.

FLEXIBILITY

- ▶ The highly configurable chart of account functionality in Wallstreet Suite allows for local and client specific interpretations of posting treatments. Wallstreet Suite accounting also allows for all levels of support from posting engine to full internal treasury sub-ledger.

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