

# Reuters Kondor Trade Processing

## Improve efficiency across the trade cycle

### Automate the trade process

from deal capture to settlement and Treasury accounting across all instruments

### IFRS/AASB/IAS39/NZIFRS

hedge designation, effectiveness testing, and accounting entries

### Sensitivity Analysis for AASB7

### Automated Confirmations

### Customise your system

to meet individual user requirements

### Real Time Market Data interface for MTM

### Flexible Licence Terms

*Local Expertise and Global Reach*  
*...Feel the Difference*



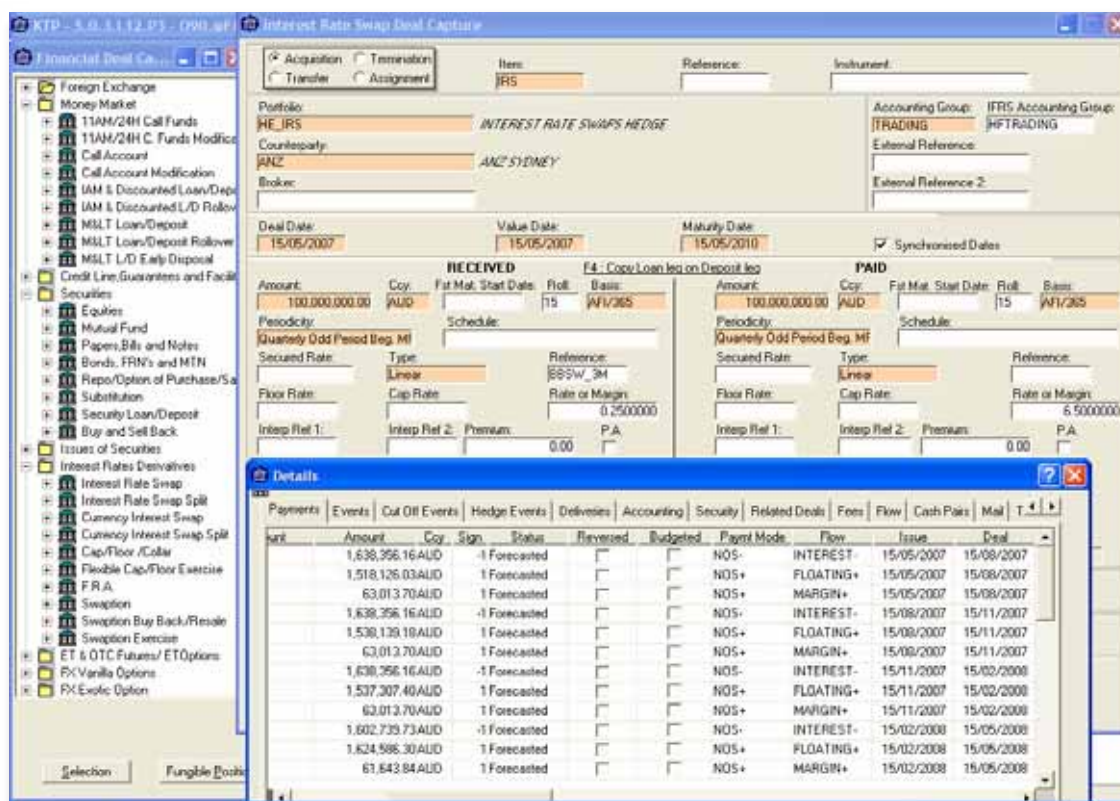
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**REUTERS** 

As the front office becomes more complex and regulatory demands increase, middle and backoffices are under ever greater pressure to deliver. A smooth, innovative deal process is essential if your operation is to keep up with market developments.

Reuters Kondor Trade Processing (KTP) is a multi-entity system providing the treasury team with a full range of tools for processing, delivery, confirmations, payments, collateralisation and accounting across all instruments, enabling you reap the rewards of increased automation and effective risk management throughout the enterprise. Additional tools for messaging, cash management, reporting and tailored workflow management ensure the smooth running of treasury processes.

Reuters Kondor Trade Processing (KTP) can be fully customised to meet individual requirements and easily upgraded to enable future expansion of functionality for new users, types of instruments and modules. As part of the Reuters front-to-back solution, KTP integrates seamlessly with the Reuters Trade and Risk Management product suite, including Kondor + in the front office, and can also smoothly connect with third-party products via standard middleware adapters or interfaces using open API's.



Left: Interest Rate Swap Deal capture

### Asset classes covered by Reuters Kondor Trade Processing

- FX
- Commodities
- Equities and Fixed Income
- Traded Options and Futures
- Money Market
- Plain Vanilla and Exotic OTC derivatives
- Credit derivatives

**Interactive Cash Flow Statement Summary**

Payment Mode	22-02-2007	22-03-2007	22-04-2007	22-05-2007	22-06-2007	22-07-2007	22-08-2007	22-09-2007
Starting Balance	117,493,125.88	222,043,104.78	219,040,330.73	222,609,087.95	221,638,686.71	221,117,516.84	217,048,139.30	183,242,330.90
<b>TREASURY PAYMENTS</b>	<b>-26,320,897.78</b>	<b>-16,043,666.46</b>	<b>-1,875,136.70</b>	<b>-1,914,468.76</b>	<b>-1,026,297.75</b>	<b>-8,188,199.68</b>	<b>-34,609,313.66</b>	<b>-1,069,819.80</b>
Completed 3101-	-24,312,031.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Forecasted 3101-	-2,008,865.86	-13,043,666.46	-1,875,136.70	-1,914,468.76	-1,026,297.75	-8,188,199.68	-34,609,313.66	-1,069,819.80
<b>TREASURY RECEIPT</b>	<b>131,390,876.69</b>	<b>12,021,092.41</b>	<b>8,143,693.92</b>	<b>944,068.82</b>	<b>806,127.88</b>	<b>4,118,842.12</b>	<b>803,488.16</b>	<b>821,968.80</b>
Completed CASH-	8,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Forecasted CASH-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Completed 3101+	103,390,876.69	0.00	4,580,002.38	0.00	0.00	0.00	0.00	0.00
Forecasted 3101+	22,000,000.00	12,021,092.41	553,691.53	944,068.82	202,127.88	4,118,842.12	803,488.16	821,968.80
<b>RETAIL PAYMENTS</b>	<b>-1,600,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Completed RPAY-	-1,500,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Forecasted RPAY-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Ending Balance</b>	<b>222,043,104.78</b>	<b>219,040,330.73</b>	<b>222,609,087.95</b>	<b>221,638,686.71</b>	<b>221,117,516.84</b>	<b>217,048,139.30</b>	<b>183,242,330.90</b>	<b>182,704,416.90</b>

**Value Statement : payment details**

Ref	Issue	Deal date	Value	Maturity	Paym mode	Status	Exn	Deal	Ev	Cap	Item Num	Description	Counterparty	Debit	Credit
Entity: SUB1	Account: SUB1AUD	Currency: AUD													
1075	6/03/2007	6/03/2007			NOS+	Realized		88				Short Term Loan	AS_CASH		1,000,000.00
														Total:	1,000,000.00
Entity: TREASURY	Account: JPMAUD	Currency: AUD													
144	22/02/2007	22/02/2007			NOS+	Realized		18				11AM Deposit	ANZ		50,000.00
143	25/02/2007	25/02/2007			NOS+	Realized		18	2			11AM Deposit Incr	ANZ		100,000.00
146	27/02/2007	27/02/2007			NOS+	Realized		20	4			11AM Deposit Inc	ANZ		25,000.00
62	28/02/2007	28/02/2007		28/02/2010	NOS+	Realized		10				Credit Line Loan D1	ANZ		30,000,000.00
100	28/02/2007	21/02/2007		28/02/2007	NOS+	Reconciled		11				Credit Line Loan D1	ANZ		20,000,000.00
115	1/03/2007	1/03/2007		1/03/2007	NOS+	Realized		19				Prom Note Issue	ANZ		4,869,738.53
110	1/03/2007	1/03/2007		1/03/2007	NOS+	Realized		17				Discount Securities	ANZ		46,940,257.32
1069	6/03/2007	6/03/2007		6/03/2007	NOS+	Realized		86				Short Term Loan	AS_CASH		1,000,000.00
														Total:	103,390,876.69
														Side:	103,390,876.69

Left: Interactive Cash Flow Statement with drill down to deal level, and deal events

Below: FX, Interest Rates and other data stored in database after populated manually, imported or through seamless FDATA interface

### Benefits of Kondor Trade Processing

- Meet all back-office and treasury accounting needs
- Enable compliance with new regulatory obligations such as IAS 39 and Basel II
- Minimise the need for human intervention by automating processes
- Reduce organisational burden and cost per transaction
- Customise to meet local market conditions and specific needs
- Enable straight-through-processing when implemented with Kondor+ or third-party front-office systems
- KTP ensures confirmation matching using Euroclear, Clearstream, and Austraclear interfaces
- Seamless Market Data interface providing snapshot and Real Time quotes for MTM purposes

**Currency Quotation Capture per Period**

Currency	Quotation Date	Accounting rate	Fixing rate	Buying rate	Selling rate
AUD	31/01/2007	0.9111500	0.9111500	0.9108000	0.9115000
CHF	31/01/2007	0.9667000	0.9667000	0.9663000	0.9671000
EUR	31/01/2007	0.5966000	0.5966000	0.5964000	0.5968000
GBP	31/01/2007	0.3932500	0.3932500	0.3931000	0.3934000
HKD	31/01/2007	6.0200000	6.0200000	6.0200000	6.0200000
INR	31/01/2007	7.018885000	7.018885000	7.015200000	7.022250000
JPY	31/01/2007	93.8200000	93.8200000	93.7700000	93.8700000
KRW	31/01/2007	727.4811500	727.4811500	727.1298000	727.8325000
MYR	31/01/2007	2.7624500	2.7624500	2.7610000	2.7639000
NZD	31/01/2007	1.1210000	1.1210000	1.1190000	1.1230000
SGD	31/01/2007	1.1865000	1.1865000	1.1860000	1.1870000
USD	31/01/2007	0.7719500	0.7719500	0.7717000	0.7722000

Right: IFRS Hedge Effectiveness Test Report

**IFRS RETROSPECTIVE HEDGE EFFECTIVENESS REPORT**

Chd	Entity	Strategy	Instrument	Start Date	Days	Linear Rate	Preceded	Estimated	Chd Factor	Preceded Type	Last Est Value	Delta Est Value		
85	TREASURY	IB3	IB3	23/07/07	61	8.493000	30,000,000.00	802,282.86						
85	TREASURY	IB3	INTEREST RATE SWAPS HEDGE	23/07/07	61	8.493000	30,000,000.00	802,282.86	0.997180		788,218.85			
85	TREASURY	IB3	IB3	22/10/07	61	8.870000	30,000,000.00	813,804.13						
85	TREASURY	IB3	INTEREST RATE SWAPS HEDGE	22/10/07	61	8.870000	30,000,000.00	813,804.13	0.974778		818,378.86			
85	TREASURY	IB3	IB3	21/01/08	61	8.748000	30,000,000.00	845,787.21						
85	TREASURY	IB3	INTEREST RATE SWAPS HEDGE	21/01/08	61	8.748000	30,000,000.00	845,787.21	0.968721		808,348.38			
85	TREASURY	IB3	IB3	21/04/09	61	8.822000	30,000,000.00	862,878.48						
85	TREASURY	IB3	INTEREST RATE SWAPS HEDGE	21/04/09	61	8.822000	30,000,000.00	862,878.48	0.946119		818,583.53			
85	TREASURY	IB3	IB3	21/07/08	61	8.912000	30,000,000.00	878,133.07						
85	TREASURY	IB3	INTEREST RATE SWAPS HEDGE	21/07/08	61	8.912000	30,000,000.00	878,133.07	0.926611		814,288.33			
<b>TREASURY Del 85</b>												4,075,788.11	0.00	-4,075,788.11
<b>Total Hedge</b>												-4,075,788.11	0.00	-4,075,788.11
81	TREASURY	IB3	3.5.TLM	23/07/07	61	8.493000	-30,000,000.00	-802,282.86						
81	TREASURY	IB3	LONG TERM LOANS LIABILITIES	23/07/07	61	8.493000	-30,000,000.00	-802,282.86	0.997180		-788,218.85			
81	TREASURY	IB3	3.5.TLM	22/10/07	61	8.870000	-30,000,000.00	-813,804.13						
81	TREASURY	IB3	LONG TERM LOANS LIABILITIES	22/10/07	61	8.870000	-30,000,000.00	-813,804.13	0.974778		-818,378.86			
81	TREASURY	IB3	3.5.TLM	21/01/08	61	8.748000	-30,000,000.00	-845,787.21						
81	TREASURY	IB3	LONG TERM LOANS LIABILITIES	21/01/08	61	8.748000	-30,000,000.00	-845,787.21	0.968721		-808,348.38			
81	TREASURY	IB3	3.5.TLM	21/04/09	61	8.822000	-30,000,000.00	-862,878.48						
81	TREASURY	IB3	LONG TERM LOANS LIABILITIES	21/04/09	61	8.822000	-30,000,000.00	-862,878.48	0.946119		-818,583.53			
81	TREASURY	IB3	3.5.TLM	21/07/08	61	8.912000	-30,000,000.00	-878,133.07						
81	TREASURY	IB3	LONG TERM LOANS LIABILITIES	21/07/08	61	8.912000	-30,000,000.00	-878,133.07	0.926611		-814,288.33			
<b>TREASURY Del 81</b>												-4,075,788.11	0.00	-4,075,788.11
<b>Total Hedging</b>												-4,075,788.11	0.00	-4,075,788.11

## Operational Features

FUNCTION	SUPPORTS
<i>Deal Capture</i>	Manual entry, file Import or automated real time import from other systems including any user defined fields. Provides dealers with portfolio positions, client limits and exposures, currency positions and mismatch exposures, cash flows and bank balances.
<i>Cash Management</i>	Liquidity forecasts & budgets, interest scales, on demand real-time value date statements, cash pooling, automatic reconciliation of bank accounts, business cash flows, all types of transfers between bank accounts, import and export of payments, account statements, account balances.
<i>Securities Management</i>	Delivery management, security issues and transfers, margin calls and corporate actions. isolated security input, security statements including stock location.
<i>Custodian Features</i>	Book-keeping for cash and securities holding, as well as the automatic generation of messages to central custodians and clearing systems.
<i>Back Office</i>	Maturity and rate reset processing, margin calls, bulk validation, revaluations, confirmations, interface processing, deal import/export.
<i>Client &amp; Broker Services</i>	Supports client enquiries such as contracts outstanding, settlement instructions, interest outstanding, funds movement and history display. Brokerage/Fees and commissions are fully supported and the fee scales and calculations are fully customizable.
<i>Accounting</i>	Accounting conventions for both cash and custodian accounting, user definable accounting schemes, on and off-balance sheet entries as well as defining different accounting schemes for trading, hedging and investment scenarios. Export of generated entries in real time to the host system and maintenance of full sub-ledger within the system.
<i>Menu and Security</i>	User definable menu and security features. Every user belongs to a user group and may be configured to restrict user groups to access menus, table data, dialogue boxes for financial deals and miscellaneous actions. Reuters KTP – The Treasury Solution
<i>Static Data</i>	Users to store and manage in a single system all information relating to Securities, Options and Futures Contracts, Third party information and bank accounts, entities and portfolios, general ledger chart of accounts including any user defined fields.
<i>Connectivity</i>	Supports multi-format input/output interface engine that enables you to create target data (Files/ data from a database) from source data (files/data from a database) in a different format. KTP system is web enabled. Further KTP integrates seamlessly with other Reuters Trade and Risk Management products and can be smoothly connected with other third party products in real time in both directions via standard middleware adapters using open APIs.
<i>Reports</i>	Comprehensive standard and user defined reports including MTM, BO activity, FX risk management, Interest rate risk management, Limits and General Ledger.
<i>Audit</i>	Audit features to track any changes within the system.
<i>Integration</i>	Reuters KTP is designed to allow integration within any type of information architecture. Its powerful interfacing features along with the possibility to integrate user defined parameters and processing rules enables KTP to provide added value answer to any type of functional requirement within the framework of just-in-time straight through processing as required.



## About Reuters Trade & Risk Management

Reuters is the largest provider of Trade and Risk Management solutions globally serving over 750 financial institutions. Reuters solutions offer sophisticated, tailored functionality at every step of the trade – from STP enabled front-to-back trading systems to enterprise wide risk management – allowing our customers to efficiently manage their market, credit and operational risks. And we have the global strength that is required of a long term strategic partner with more than 800 risk professionals in 83 countries. Reuters was recently recognised as the “Best Trading System Vendor” in Risk magazine’s “Risk 20” awards.



## Local expertise and global reach

Reuters has more than 700 risk specialists who provide local sales, implementation and support to our users of the 20,000 Kondor licences issued in 85 countries worldwide.

We ensure that every customer deployment is managed effectively from start to finish. We provide ongoing support throughout the process and make full use of our strong local presence to facilitate project management on a global scale.

Reuters understands the nuances of local business and how different markets operate. From emerging markets to the world’s largest financial centres, we deliver knowledgeable and comprehensive technical and functional support. Thanks to our global network, we can react quickly and efficiently to your questions.

We follow a proven implementation and project management framework that ensure solutions are delivered on time and budget. We work closely with our customers to ensure complete transparency at all stages - an approach which leads to long-term partnerships.

**Finpacific Treasury Systems** is an independently Australian owned Treasury solution provider, founded in 2004 by ex Reuters Risk Management professionals, and exclusively licenced to distribute Reuters Trade and Risk Management solutions to the Australian and New Zealand corporate market place.

The distribution of these Reuters solutions include, Consulting, Implementation, Training, Support and Integration Services.

Finpacific are regarded as the product specialists in this region for the Kondor suit of products and Reuters draw on their experience and technical expertise, for training and consultancy purposes, both internally and for existing Reuters clients.

Finpacific has recently launched “**CATS**” *Cashflow Analyst Treasury Solution*, the first Hosted Full Treasury solution powered by Reuters KTP.

Finpacifics experience with Reuters products has enabled us to develop **FDATA**, a market data warehouse and seamless interface between Reuters Market Data platform and Kondor Trade Processing



# Reuters Kondor Trade Processing

## Improve efficiency across the trade cycle

*"The project to install the Kondor suite of front, middle and back office trade and risk management modules as a single integrated Straight Through Process (STP) was one of the most significant projects CUSCAL (Credit Union Services Corporation, Australia Limited) has undertaken. Reuters and their partners Finpacific Treasury Systems performed admirably throughout the project, giving us tremendous support and commitment in managing a very complex integration against an ambitious timeframe. The result has brought about enhanced efficiency and new revenue opportunity in a significant way right across CUSCAL's Treasury Operations. The post implementation consulting through Finpacific and Reuters product support including workflow enhancements to suit the changing business needs of CUSCAL has exceeded our expectations, in every way."*

*John Carroll, Head of Integrated Services, CUSCAL*



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