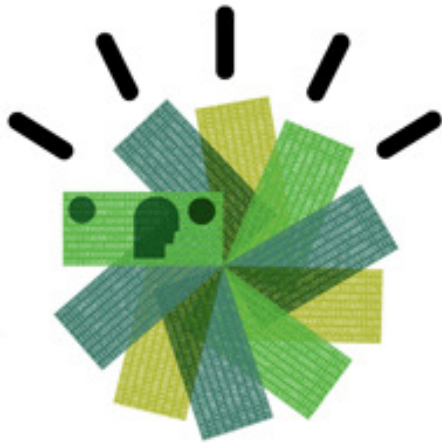


Enabling and Sustaining an Integrated Close, Consolidate, Report & File (CCRF) Process

Yong Weng Onn
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Agenda

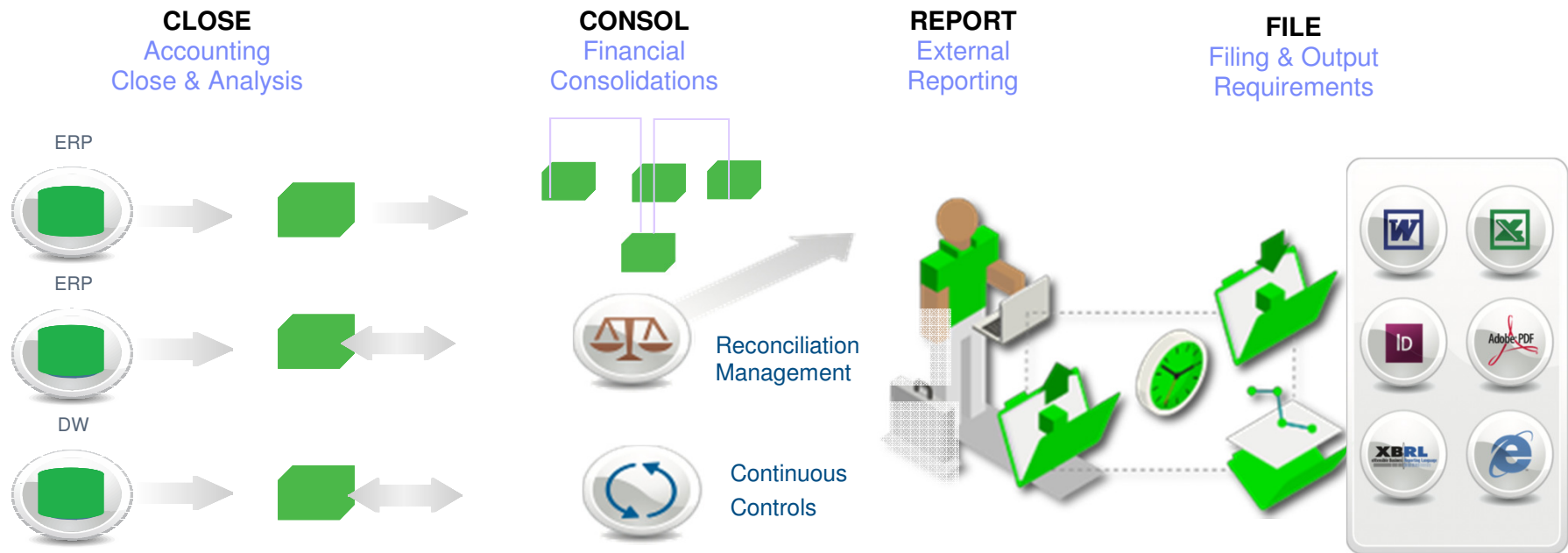


Smarter Finance

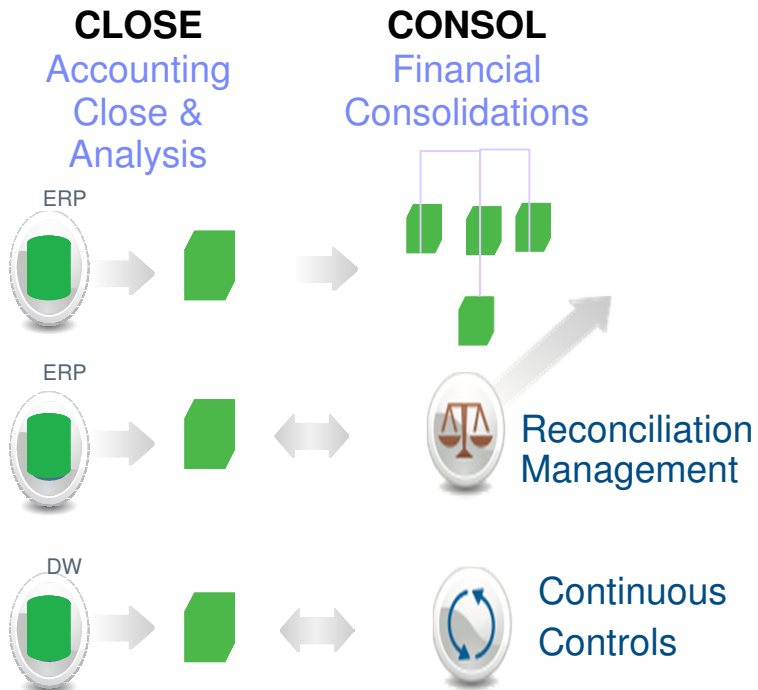
- ☐ The challenges of a manual CCRF process
- ☐ IBM's CCRF solution
- ☐ Q&A

The Challenges of Manual CCRF Process

The Challenges of Manual CCRF Process



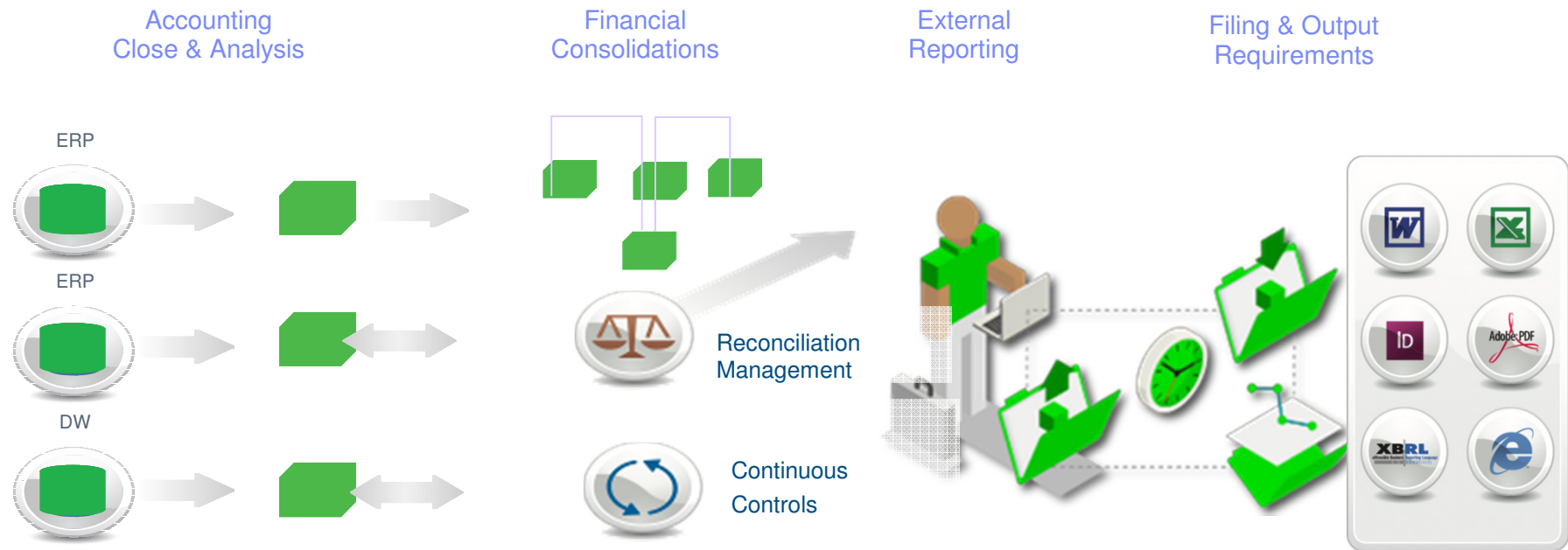
The Challenges of Manual CCRF Process



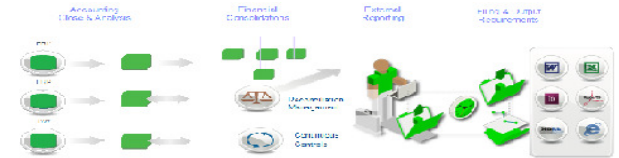
Challenges in Close & Consolidate

- Financial Information & Consolidation done in **Excel**
- Consolidation Adjustments kept in Excel - **Manual**
- Challenges in **Managing and Tracking Business & Accounting Changes**
- **Too Long** to Close the Book
- **Data Integrity** Concerns
- **Compliance** Concerns
- Lack of Enterprise **Visibility**

The Challenges of Manual CCRF Process



Challenges in Report & File



- Manual processes dominate Office of Finance
- Existing report writing processes incomplete
- Over-reliance on MS Excel, unsecure e-mails
- High degree of risk
- Little or no security, control, audit trail or transparency
- Very few nightmares, lack of confidence in report data
- Highly intelligent people doing low value, time-consuming tasks and checks
- Manual process is repeated each reporting period

- Regulatory reports & submissions
- Statutory accounts & reports
- Global XBRL Compliance
- Tax reporting & schedules
- Internal management reports
- Investor Relations
- Account reconciliation
- Stock exchange submissions
- Consolidated financial statements
- Balance sheet analysis
- GAAP/IFRS convergence

Manual processes contain risks



Challenges in Close & Consolidate

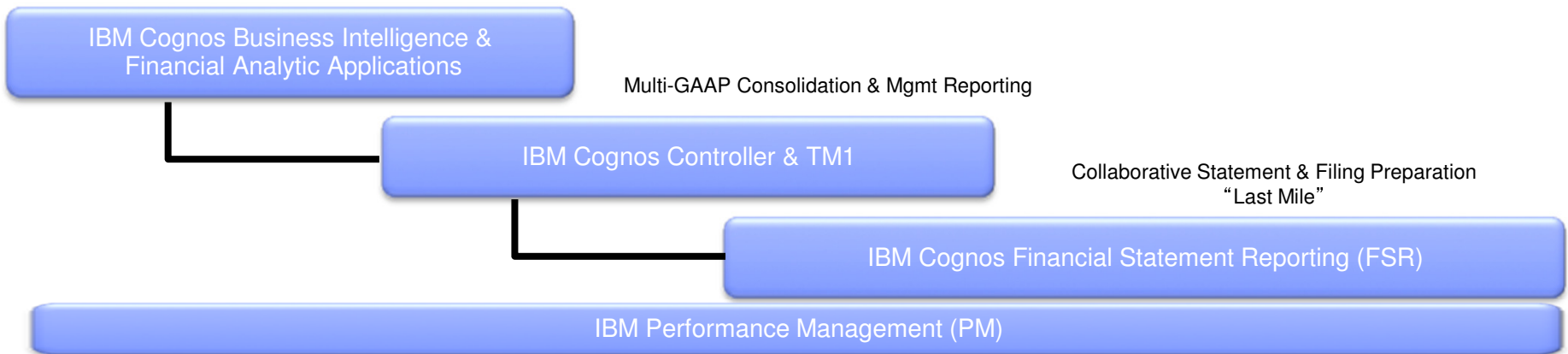
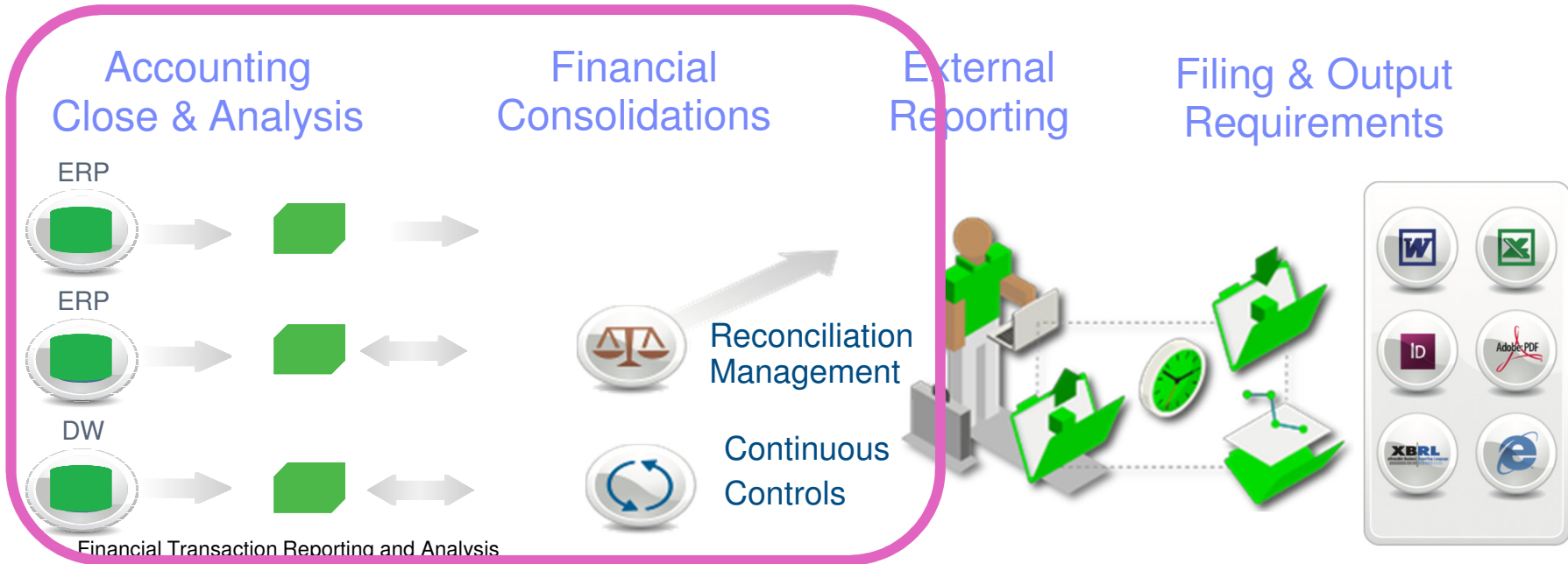


Challenges in Report & File

Risk Elements	Outcomes
<ul style="list-style-type: none"> ▪ Error ▪ Fraud ▪ Overdependence ▪ Incorrect interpretation ▪ Lack of enterprise interoperability ▪ Lack of accuracy ▪ Productivity ▪ Compliance 	<ul style="list-style-type: none"> ▪ Financial loss ▪ Legal challenges ▪ Loss of stock value ▪ Loss of reputation ▪ Fines and penalties ▪ Job loss

IBM's CCRF Solution

Complete Coverage of Financial Governance Processes



IBM Cognos Controller

- Configurable data submission process
- Consolidation Work Flow
- Cross Ownership

The screenshot displays the IBM Cognos Controller interface for defining a company structure. The main window is titled "IBM Cognos Controller - localhost/ccr_fci - ADM - [Define Company Structure]". The interface includes a menu bar (Edit, View, Company, Group, Reports, Transfer, Maintain, Window, Help) and a toolbar. A left-hand navigation pane lists various tasks, with "Consolidation Work Flow" highlighted. The central area shows a tree view of the "Consolidation Structure" with nodes like "FCI Global", "MWM Group", and "Sweden" (1204). The right-hand pane shows configuration details for the selected company (1204), including "Name - Group: Sweden", "Local Currency: SEK", and "Company Type: Subsidiary". A pop-up window titled "Consolidation Type: LE, Company: 1204" is open, displaying a table of consolidation data.

Group	From Period	To Period	Parent	Consolidation	Manual	Owned %	Manual	Votes %	Manual	Indirect Minority %
1200	200612	999999	E			50.000000		50.000000		0.000000
1300	200612	999999	E			50.000000		50.000000		0.000000

IBM Cognos Controller

- Configurable data submission process
- Consolidation Work Flow
- Cross Ownership
- Multiple consolidation structures (legal, taxation, management, etc)

IBM Cognos Controller - localhost/ccr_fci - ADM - [Define Closing Versions / Journal Types]

Workflow

- Company Structure - Define
- Define Currency Codes
- Currency Conversion
- Control Tables - Intercompany Eliminations
- Control Tables - Group Journals
- Consolidate With Status
- Reports - Trial Balance with Drilldown
- Run Reports
- Reconcile - Intercompany Balances
- Data Entry - Shareholdings and Investments in Group Companies
- Reports - Journals Across

Closing Versions

Journal Types

Closing Versions Code: IFRS

Name - Group: IFRS Version

Name - English: IFRS Version

Available Journal Types		Selected Journal Types	
Code	Name - Group	Code	Name - Group
FX	Final Adjustments		Reported value
GA	Group Adjustments	IS	IFRS Adjustments
MG	Management Adj	LO	Local Journals
		RE	Reporting Journals
		TX	Tax Journals

IBM Cognos Controller

- Configurable data submission process
- Consolidation Work Flow
- Cross Ownership
- Multiple consolidation structures (legal, taxation, management, etc)
- Multiple Accounting standard & closing versions(IFRS, Local GAAPs)

Workflow

- Company Structure - Define
- Define Currency Codes
- Currency Conversion
- Control Tables - Intercompany Eliminations
- Data Entry - Group Journals
- Consolidate With Status
- Report Final Balance with Rolldown
- Run Reports
- Reconcile - Intercompany Balances
- Data Entry - Shareholdings and Investments in Group Companies
- Reports - Journals Across

Closing Versions Journal Types

Closing Versions
Code: IFRS

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Available Journal Types	
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Selected Journal Types	
Code	Name - Group
	Reported value
IS	IFRS Adjustments
LO	Local Journals
RE	Reporting Journals
TX	Tax Journals

Status: On Multi

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IBM Cognos Controller

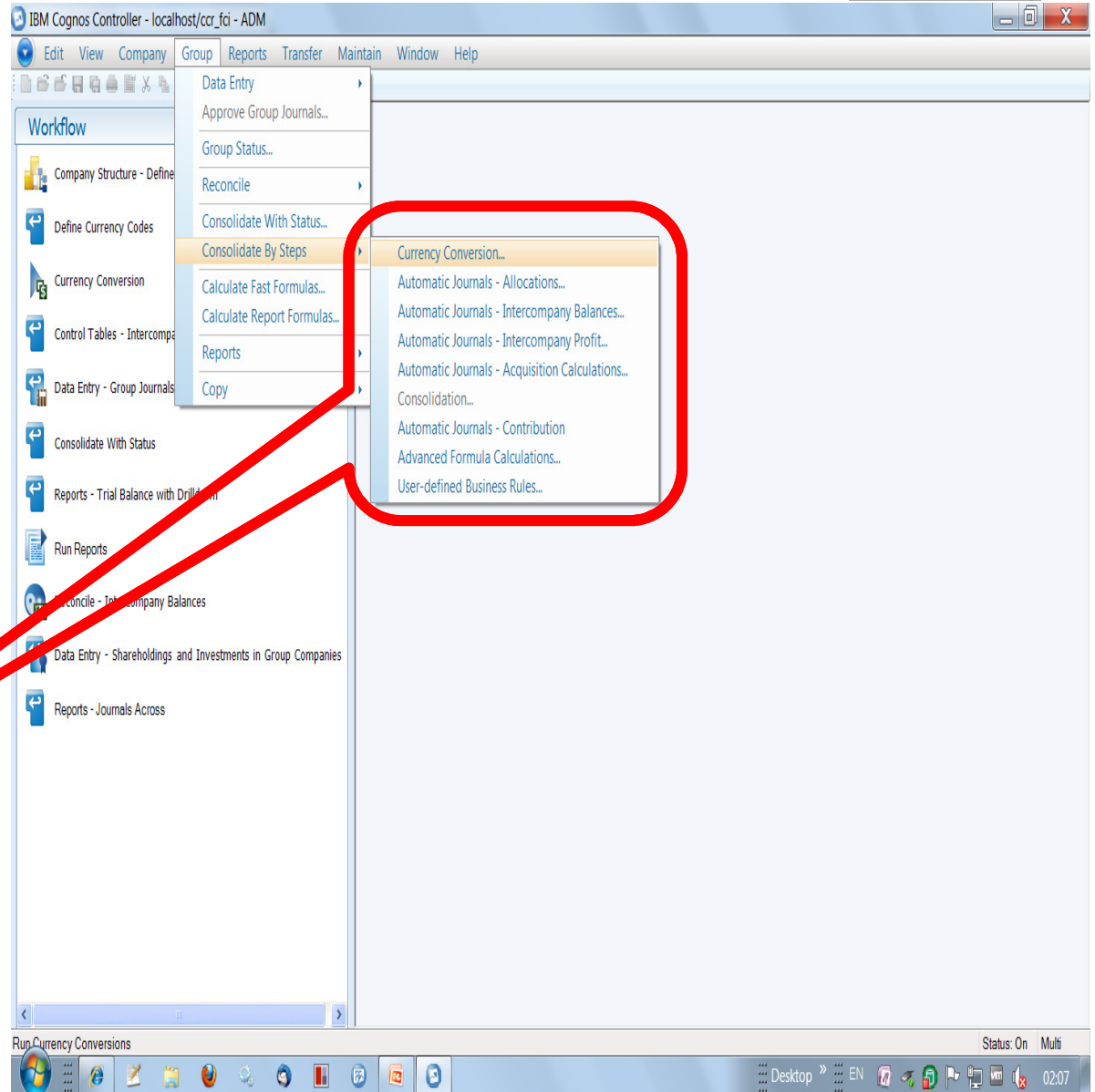
- Configurable data submission process
- Consolidation Work Flow
- Cross Ownership
- Multiple consolidation structures (legal, taxation, management, etc)
- Multiple Accounting standard & closing versions(IFRS, Local GAAPs)
- Consolidated view

The screenshot displays the IBM Cognos Controller interface. On the left is a 'Workflow' menu with options like 'Company Structure - Define', 'Define Currency Codes', 'Currency Conversion', 'Control Tables - Intercompany Eliminations', 'Data Entry - Group Journals', 'Consolidate With Status', 'Reports - Trial Balance with Drilldown', 'Run Reports', 'Reconcile - Intercompany Balances', 'Data Entry - Shareholdings and Investments in Group Companies', and 'Reports - Journals Across'. The main area shows 'Submission Details' for 'Company: 1300' with 'Form Set: F1', 'Date: 02/12/20', and 'Time: 12:00'. Below this is a table of 'Company/Group' with columns for 'Currency', 'Status', 'Change D', 'Change T', and 'Change A'. A 'Reporting Status' bar chart on the right shows counts for 'Missing' (4), 'Processing' (4), and 'Ready' (12). A red circle highlights the submission details and table area, with a red arrow pointing from the 'Consolidated view' bullet point in the list to the table.

Company/Group	Currency	Status	Change D	Change T	Change A
1000 MWM Group	GBP	Processing	04/07/201 07:56		ADM
1001 MWM Group Finance	GBP	Missing			
1100 MWM UK	GBP	Processing	04/07/201 07:56		ADM
1101 UK HQ	GBP	Missing			
1102 UK Software	GBP	Ready	28/06/201 22:00		ADM
1103 UK Hardware	GBP	Ready	28/06/201 22:00		ADM
1200 MWM International	EUR	Processing	04/07/201 07:56		ADM
1201 International HQ	EUR	Missing			
1202 Canada Own	CAD	Ready	28/06/201 22:00		ADM
1203 Italy	EUR	Ready	28/06/201 22:00		ADM
1204 Sweden	SEK	Ready	28/06/201 22:00		ADM
1205 Ireland	EUR	Ready	28/06/201 22:00		ADM
1206 Scandinavia (Other)	SEK	Ready	28/06/201 22:00		ADM
1207 Scandinavia Hardware	SEK	Ready	28/06/201 22:00		ADM
1300 MWM Emerging Markets	SAR	Processing	04/07/201 07:56		ADM
1204 Sweden	SEK	Ready	28/06/201 22:00		ADM
1301 Emerging Markets HQ	SAR	Missing			
1302 Latin America	MXN	Ready	28/06/201 22:00		ADM
1303 Baltics	LTL	Ready	28/06/201 22:00		ADM
1304 Asia, Middle East	SAR	Ready	28/06/201 22:00		ADM


IBM Cognos Controller

- Configurable data submission process
- Consolidation Work Flow
- Cross Ownership
- Multiple consolidation structures (legal, taxation, management, etc)
- Multiple Accounting standard & closing versions(IFRS, Local GAAPs)
- Consolidated view
- Multiple Currencies



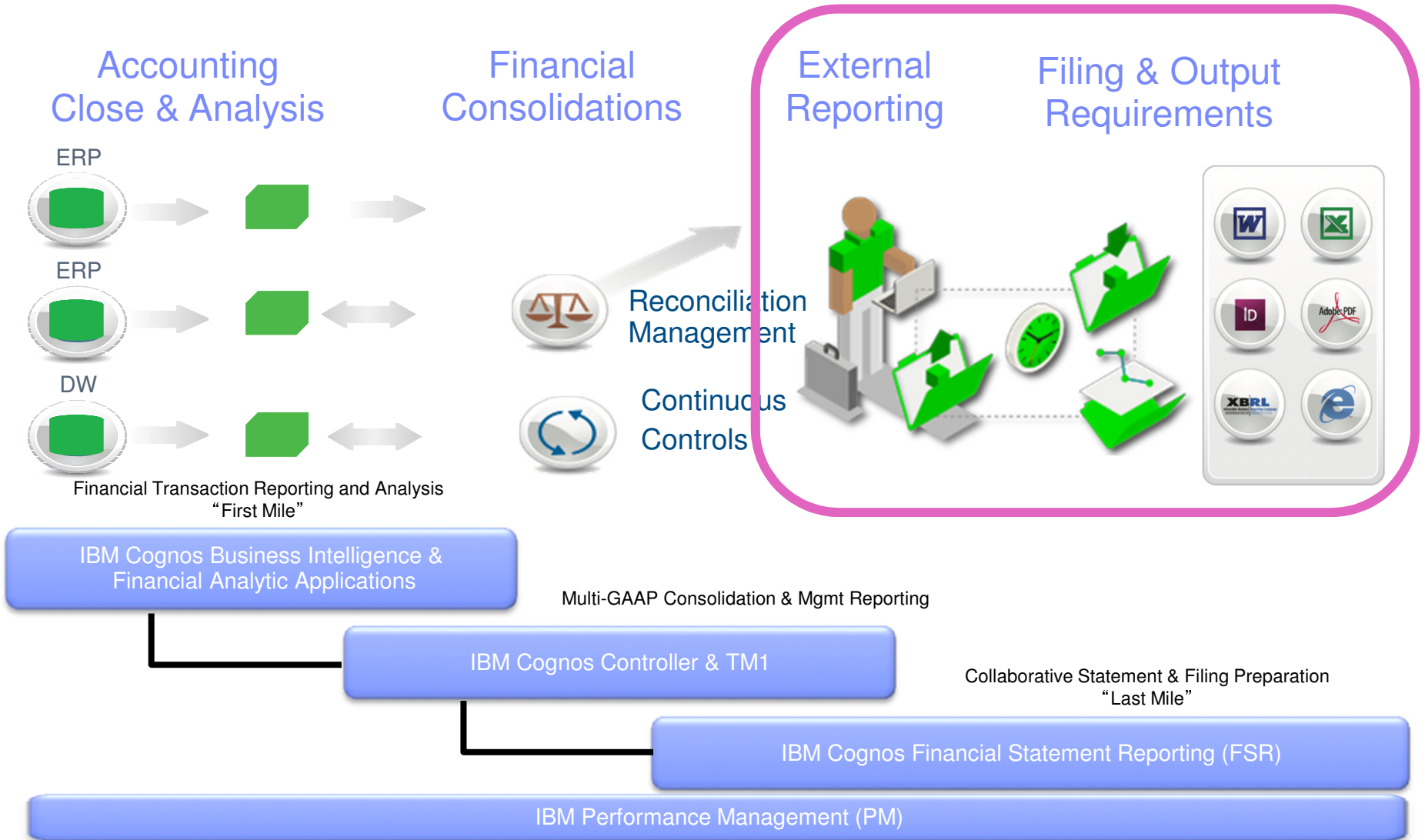
Why IBM Cognos Controller?

- **Investment in a Finance managed solution**
- **Real-time analysis, modelling, forecasting**
- **Easy to use** - Low on-going maintenance – Lower TCO
- **Data Agnostic** - Capable of importing data from any source
- **Application approach** enabling:
 - Speed of Delivery
 - Low risk implementation
 - Out-of-the-box consolidation functionality – enabling staff at all levels to perform efficient
 - 260+ standard reports
- **Automation** of time consuming processes
 - Intercompany Eliminations (delegation of responsibility to subsidiaries/ divisions)
 - Allocations
 - Currency Conversion, and ability to report, for example, at budget rates
 - Acquisition Calculations
 - Cash Flow Statements
- **Flexibility** and **Scalability** to adapt to changing requirements and multiple structures/ dimensions/Business rules



***Consolidation is a critical element of a comprehensive
Financial Governance solution***

Complete Coverage of Financial Governance Processes



IBM Cognos FSR – How it Works



Enterprise Disclosure Management (cont)

- Create reports once... no need for one off or recreating reports each week/month/quarter
- Use “variables” to change once... update everywhere
- Variable used is ringed... and how it looks when the report is generated



Reinsurance and other amounts recoverable reflect amounts due from reinsurers and policyholders to cover incurred but not reported and pending claims for minimum premium products and certain administrative services only business where the right of offset does not exist. See Note 10 for additional information on reinsurance. For the three months ended March 31, 2012, actual experience differed from the Company's key assumptions resulting in favorable incurred claims related to prior years' medical claims payable of \$40 million, or 0.5% of the current year incurred claims as reported for the year ended December 31, 2011. Actual completion factors resulted in a reduction in medical claims payable of \$17 million, or 0.2% of the current year incurred claims as reported for the year ended December 31, 2011 for the insured book of business. Actual medical cost trend resulted in a reduction in medical claims payable of \$23 million, or 0.3% of the current year incurred claims as reported for the year ended December 31, 2011 for the insured book of business.

insured book of business.



Enterprise Disclosure Management (cont)

Robust SEC Filing Management validation

- Visible linkages - step of the approval? When? Where?
- Complete work backlines to confirmings of the documents
- Complete transparency into the process to ensure proper checks are completed

Entity	External Reporting
Period	December 31, 2009
Document Name	10-K - Current Year
Submission Due Date	December 30, 2009
# Working Days before Due Date	-307
Document Owner	Director Financial Reporting
Overall document sign-off	0

Assigned To	Section Name	Report Object	Status	Object Type	Content
Director Financial Reporting	Variable Management	Variable List	Manager	Normal	MS-Excel
Director Financial Reporting	Front Cover Page	Cover Page	Director Financial	Normal	MS-Word
Reviewer	Print Default Settings	Default Page Setup	Reviewer	Page Setup	MS-Word
Reviewer	Shareholders Message	Header	Reviewer	Header	MS-Word
Assistant Controller	Shareholders Message	Shareholder Page Setup	Assistant Controller	Normal	MS-Word
Reviewer	Form 10-K Cover Page	Header	Reviewer	Header	MS-Word
Director Financial Reporting	Form 10-K Cover Page	Default Page Setup	Manager	Page Setup	MS-Word
Director Financial Reporting	Form 10-K Cover Page	Form 10K	Director Financial	Normal	MS-Word
Director Financial Reporting	Table of Contents	TOC	Director Financial	Normal	MS-Word
Data Contributor	Item 1 Business Overview	General	Test Workflow	Normal	MS-Word
Data Contributor	Item 1 Business Overview	Growth Strategy	Data Contributor	Normal	MS-Word
Data Contributor	Item 1 Business Overview	Growth Strategy - Not Printed and Hard Coded	Data Contributor	Normal	MS-Word
Data Contributor	Item 1 Business Overview	Historical Growth	Data Contributor	Normal	MS-Excel
Data Contributor	Item 1 Business Overview	Store Remodeling	Data Contributor	Normal	MS-Word
Data Contributor	Item 1 Business Overview	Footer	Data Contributor	Footer	MS-Word
Data Contributor	Item 1 Business Overview	Comments and Links	Data Contributor	Normal	MS-Word
Data Contributor	Item 1 Business Overview	Suggested Edits	Data Contributor	Normal	MS-Word

Enterprise Disclosure Management (cont)



Consolidated GAAP Financial Statements and Footnotes

MD&A

Operational & Risk Measures

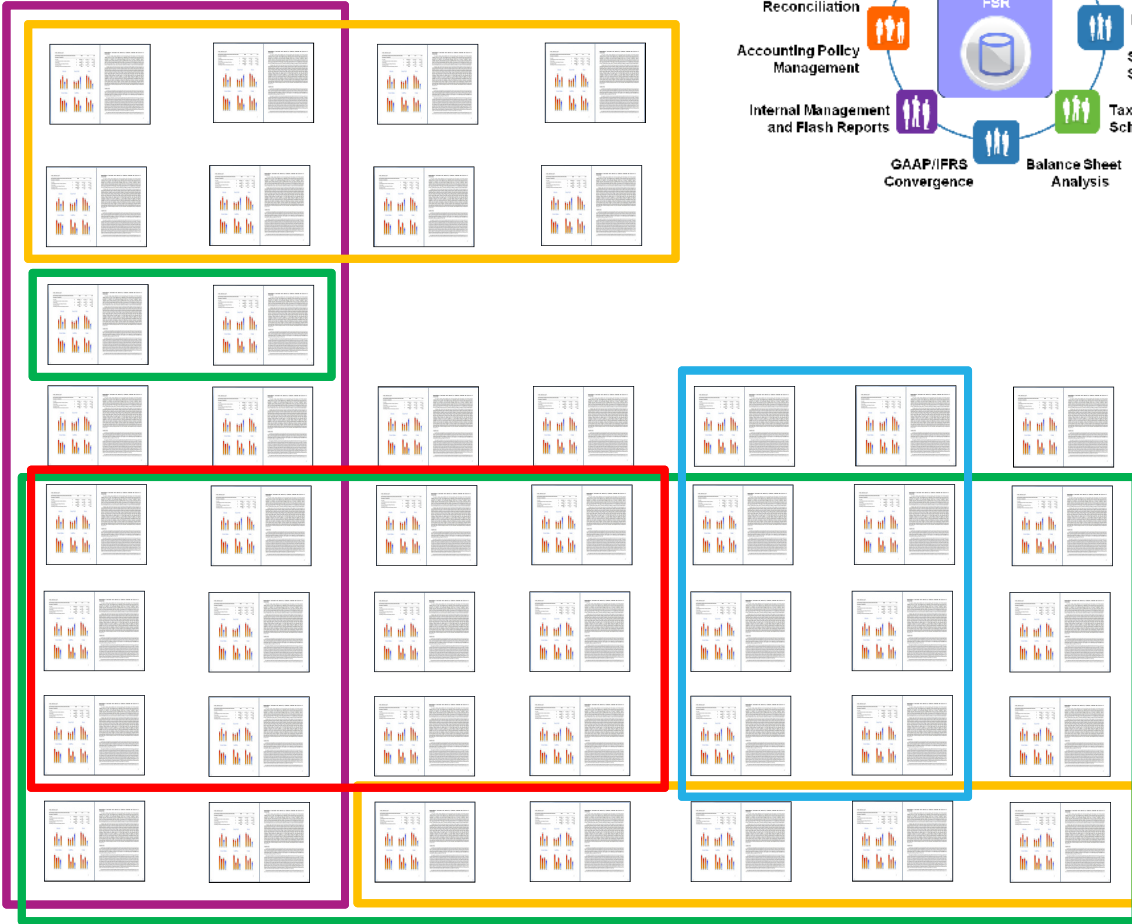
Asset Management

BU 1 Sales & Revenue

BU 2 Sales & Revenue

Plan and Forecast Data

Executive Compensation



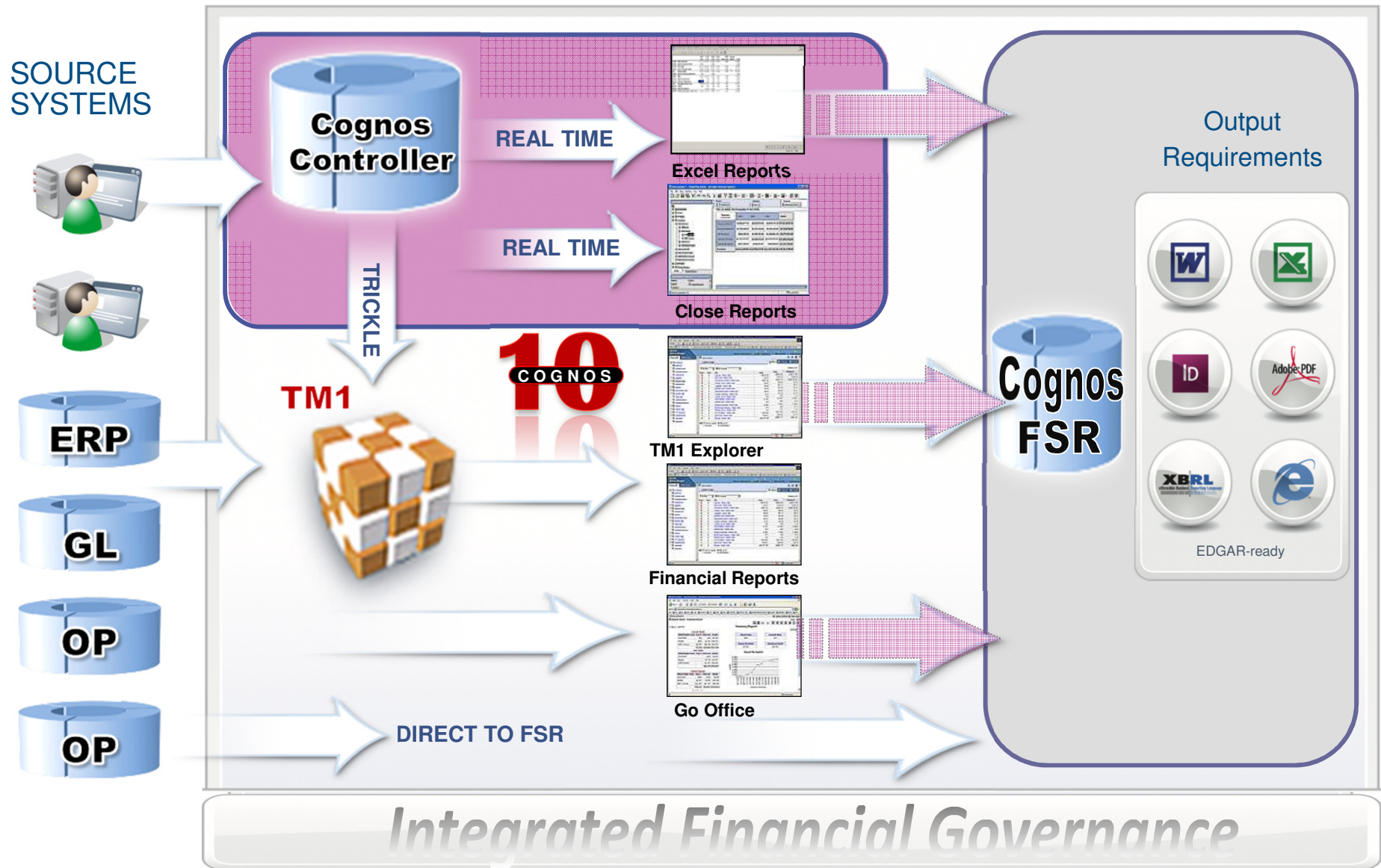
Key

- CEO/CFO packs
- Board Books
- Monthly close package reports
- Regulatory & Statutory reports
- Plan & Forecast packs

IBM Cognos FSR – The Benefits

Cognos FSR Features	Problems Solved	Results
<ul style="list-style-type: none"> • Link source data to report data • Optimized internal controls • Robust audit trail reporting • Business rules & validation 	<ul style="list-style-type: none"> • Prevent late submission & material errors on regulatory & statutory filings • Prevent insider leaks • Enhance weak internal controls & financial governance framework 	<p>Reduce risk</p>
<ul style="list-style-type: none"> • Data integration • Workflow • Automated roll – forward • Variables in text 	<ul style="list-style-type: none"> • Eliminate manual data collection & consolidation • Eliminate re-keying of information • Secure environment or review & approval • Automate error checking 	<p>Reduce Costs</p>
<ul style="list-style-type: none"> • Automatic report data refresh • Jumpstart report building with previous report • Collaborative environment allows multiple people to work on reports in parallel 	<ul style="list-style-type: none"> • Eliminate bottlenecks & time consuming complex processes • Eliminate manual updates of report data • Automate error checking & correcting 	<p>Reduce cycle time</p>
<ul style="list-style-type: none"> • Share content across reports • Colaboration/Multi-author Environment • Real-time data updates 	<ul style="list-style-type: none"> • Enhances consistency & integrity reports • Optimize analysis with more collaboration • Ensure one version of the truth in critical reports 	<p>Improved business insight</p>

IBM Business Analytics CCRF Solution:



Sharing Information Across the Organization



1 Risk of Errors

	Benefit
Integration to source data	No re-keying of data
Variables in text	Consistency across the report
Validation Rules	Numbers always tie-out

One version of the truth

2 Risk of Late Filing

Feature	Benefit
User prior report as a template for the next period	No need to re-apply formatting
Automatically load new data	No need to re-key data

Start reviewing the final report sooner

Feature	Benefit
Security to view or edit each object	Users only see the data they are supposed to see
Workflow controls access throughout the process	Users only see data when they are allowed to see it

Access to information is controlled

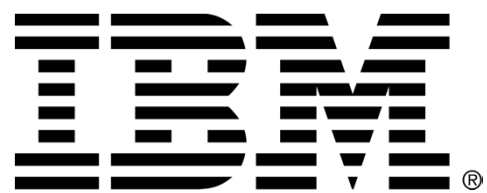
3 Risk of Insider Leaks

Feature	Benefit
Compliance Checklists	To ensure that the right steps are being followed
Audit Trail	To track who did what, and when they did it

Increased confidence in the final report

4 Risk of Non-Compliance

Question & Answer



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