

Closing the GAAP – How will Convergence to IFRS Affect Risk Management?

A Vision for Tomorrow's Treasurer

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Panel Moderator:
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FXpress

Who is FXpress and What is FIRST?

- FXpress was founded by and for corporate practitioners 16 years ago to help them manage financial risk

- FIRST is our web-based treasury software
 - Provides general accounting and hedge accounting for FAS 52, FAS 133, FAS 157, FAS 161, IFRS 7 and IAS 39 compliance
 - Captures and manages exposures and derivative transactions
 - Offers complete back office & reporting functionality
 - Offers complete reporting capabilities
 - Alexander Hamilton Award- Gold Medal Workflow

Agenda

- ❑ Is principle based accounting a good thing?
- ❑ Will the burden of compliance shrink or be further complicated?
- ❑ Will it result in more or less hedging?
- ❑ What impact will this have on how companies hedge balance sheet and forecasted exposures?
- ❑ How are corporate treasuries preparing for the change?



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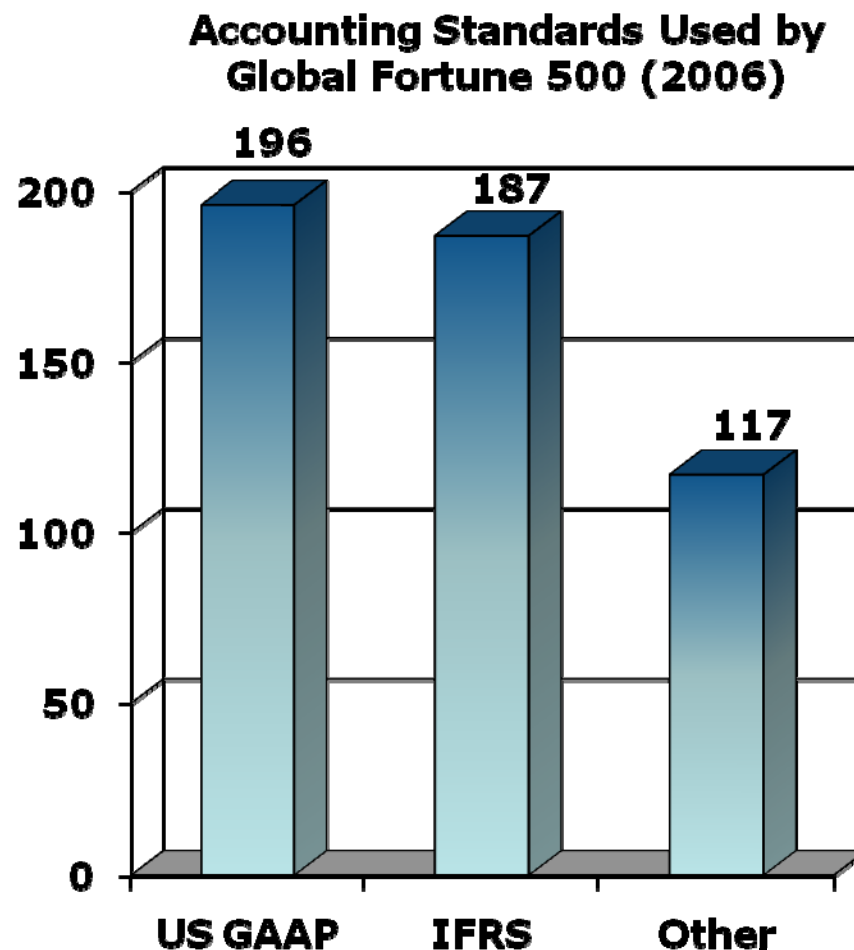


The World is Moving Towards IFRS



Adoption of IFRS is Strong and Growing Fast

- Today IFRS is used in 100+ countries:
 - Required in all EU countries since 2005
 - Canada, Japan, Chile, Argentina, Brazil and India have announced plans to converge
 - FASB and IFRS are working closely together on new pronouncements and the SEC has released a roadmap to converge
 - Most countries will have adopted IFRS to some extent by 2011



Is Principle-Based Accounting a Good Thing?

- How will this work given the US's litigious society?
- What affect will this have on the auditing of financial statements?
- Will this lead to the goal of producing comparable financial results?
- What becomes of the 800+ pages found in FAS 133?

Will the Burden of Compliance Shrink or be Further Complicated?

- ❑ What will be the impact to corporate treasuries in complying with the new standards?
- ❑ Has the burden of compliance shifted?
- ❑ What kind of learning curve should we expect to see?



Rudolf Kopitz – “Heavy Burden”

Will it Result in More or Less Hedging?

- ❑ Will corporate be able to hedge the same types of exposures?
- ❑ What impact will this have on documentation?
- ❑ Will principle-based accounting make it easier to qualify for and manage hedge accounting?



How are Corporate Treasuries Preparing for the Change?

- How can treasuries be efficiently brought up to speed on the new regulations?
- How much will it cost companies to make these changes?
- What will be the impact on the technology in place?

Questions?



**TODAY'S
Corporate Risk Management
is TOO IMPORTANT to rely on
YESTERDAY'S TECHNOLOGY.**

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