IRS Same Ccy - Notional - Hedging Derivatives

PURPOSE

To show illustration of IRS same currency – notional – hedging derivatives.

OVERVIEW

TRANSACTION DETAILS

Accounting Base Ccy
Trade ID
Trade Date
Start Date
Maturity Date
Structure

USD
IRS1001
3-Feb-03
3-Feb-03
3-Feb-06
Notional

Principal
Basis
Rate %
Accrual Method
Frequency

Pay Leg

USD 1,000,000
Fixed
5.000000
Act/360
Quarterly

Rec Leg

USD 1,000,000
Float
4.900000
Act/360
Quarterly

Interest Payment Dates

From Date

3-Feb-03
5-May-03
3-Nov-05

To Date

5-May-03
4-Aug-03
3-Feb-06

Days

91
91
92

Fix Rate

5.000000%
5.000000%
5.000000%

USD (Pay) Fix

-12,638.89
-12,638.89
-12,777.78

Float Reset

4.900000%
5.123200%
4.900000%

USD (Rec) Float

12,386.11
12,950.31
12,522.22

SUMMARY OF JOURNALS

ID	Date	Description	Scenario
J1	28-Feb-03	Month End IRS Accruals	Net interest payable to bank, gain on MTM revaluation.
J2	1-Mar-03	Reversal Month End IRS Accruals	
J3	31-Mar-03	Month End IRS Accruals	Net interest payable to bank, loss on MTM revaluation.
J4	1-Apr-03	Reversal Month End IRS Accruals.	

ID	Date	Description	Scenario
J5	30-Apr-03	Month End IRS Accruals.	Net interest payable to bank, gain on MTM revaluation.
J6	1-May-03	Reversal Month End IRS Accruals	
J7	5-May-03	Interest Settlement on IRS	
J8	31-May-03	Month End IRS Accruals	Net interest receivable from bank, gain on MTM revaluation.
J9	1-Jun-03	Reversal Month End IRS Accruals	
J10	30-Jun-03	Month End IRS Accruals	Net interest receivable from bank, loss on MTM revaluation.
J11	1-Jul-03	Reversal Month End IRS Accruals	
J12	3-Feb-06	Final Settlement on IRS	

J1 **Month End IRS Accruals**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	28-Feb-03	B	IRS - Interest Receivables	USD	3,538.89	1.000000	USD	3,538.89	J1a
IRS1001	28-Feb-03	P	IRS - Interest Income	USD	-3,538.89	1.000000	USD	-3,538.89	J1b
IRS1001	28-Feb-03	B	IRS - Interest Payables	USD	-3,611.11	1.000000	USD	-3,611.11	J1c
IRS1001	28-Feb-03	P	IRS - Interest Expense	USD	3,611.11	1.000000	USD	3,611.11	J1d

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	28-Feb-03	B	IRS - MTM Revaluation	USD	2,023.38	1.000000	USD	2,023.38	J1e
IRS1001	28-Feb-03	P	IRS: MTM Gains	USD	-2,023.38	1.000000	USD	-2,023.38	J1f
IRS1001	28-Feb-03	B	IRS - Hedging Reserve	USD	3,538.89	1.000000	USD	3,538.89	J1a
IRS1001	28-Feb-03	B	IRS - DFI - Non-Current Asset	USD	-3,538.89	1.000000	USD	-3,538.89	J1b
IRS1001	28-Feb-03	B	IRS - Hedging Reserve	USD	-3,611.11	1.000000	USD	-3,611.11	J1c
IRS1001	28-Feb-03	B	IRS - DFI - Non-Current Asset	USD	3,611.11	1.000000	USD	3,611.11	J1d

Note J1a: Calculation of Accrual in USD

Start date	3-Feb-03	
Month End Date	28-Feb-03	
Days (include 28-Feb)	26	=A
Start date	3-Feb-03	
Maturity Date	5-May-03	
Days (exclude 5-May)	91	=B
Total Interest	12,386.11	=C
Period Interest	3,538.89	=C*A/B

Note J1c: Calculation of Accrual in USD

Start date	3-Feb-03	
Month End Date	28-Feb-03	
Days (include 28-Feb)	26	=A

Start date	3-Feb-03	
Maturity Date	5-May-03	
Days (exclude 5-May)	91	=B
Total Interest	12,638.89	=C
Period Interest	3,611.11	=C*A/B

Note J1b&d: System journals to DFI – Non-Current Assets if net interest is a payable to bank and MTM is a gain.

Note J1f: The MTM value of 28-Feb-03 is maintained manually at the Interest Rate Swap screen.

J2 Reversal Month End IRS Accruals.

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	1-Mar-03	B	IRS - Interest Receivables	USD	-3,538.89	1.000000	USD	-3,538.89	J2a
IRS1001	1-Mar-03	P	IRS - Interest Income	USD	3,538.89	1.000000	USD	3,538.89	J2b
IRS1001	1-Mar-03	B	IRS - Interest Payables	USD	3,611.11	1.000000	USD	3,611.11	J2c
IRS1001	1-Mar-03	P	IRS - Interest Expense	USD	-3,611.11	1.000000	USD	-3,611.11	J2d
IRS1001	1-Mar-03	B	IRS - MTM Revaluation	USD	-2,023.38	1.000000	USD	-2,023.38	J2e
IRS1001	1-Mar-03	P	IRS: MTM Gains	USD	2,023.38	1.000000	USD	2,023.38	J2f
IRS1001	1-Mar-03	B	IRS - Hedging Reserve	USD	-3,538.89	1.000000	USD	-3,538.89	J2a

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	1-Mar-03	B	IRS - DFI - Non-Current Asset	USD	3,538.89	1.000000	USD	3,538.89	J2b
IRS1001	1-Mar-03	B	IRS - Hedging Reserve	USD	3,611.11	1.000000	USD	3,611.11	J2c
IRS1001	1-Mar-03	B	IRS - DFI - Non-Current Asset	USD	-3,611.11	1.000000	USD	-3,611.11	J2d

J3 **Month End IRS Accruals.**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	31-Mar-03	B	IRS - Interest Receivables	USD	7,758.33	1.000000	USD	7,758.33	J3a
IRS1001	31-Mar-03	P	IRS - Interest Income	USD	-7,758.33	1.000000	USD	-7,758.33	J3b
IRS1001	31-Mar-03	B	IRS - Interest Payables	USD	-7,916.67	1.000000	USD	-7,916.67	J3c
IRS1001	31-Mar-03	P	IRS - Interest Expense	USD	7,916.67	1.000000	USD	7,916.67	J3d
IRS1001	31-Mar-03	B	IRS - MTM Revaluation	USD	-2,054.13	1.000000	USD	-2,054.13	J3e
IRS1001	31-Mar-03	P	IRS: MTM Losses	USD	2,054.13	1.000000	USD	2,054.13	J3f
IRS1001	31-Mar-03	B	IRS - Hedging Reserve	USD	7,758.33	1.000000	USD	7,758.33	J3a
IRS1001	31-Mar-03	B	IRS - DFI - Non-Current Liability	USD	-7,758.33	1.000000	USD	-7,758.33	J3b

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	31-Mar-03	B	IRS - Hedging Reserve	USD	-7,916.67	1.000000	USD	-7,916.67	J3c
IRS1001	31-Mar-03	B	IRS - DFI - Non-Current Liability	USD	7,916.67	1.000000	USD	7,916.67	J3d

Note J3a: Calculation of Accrual in USD

Start date	3-Feb-03	
Month End Date	31-Mar-03	
Days (include 31-Mar)	57	=A
Start date	3-Feb-03	
Maturity Date	5-May-03	
Days (exclude 5-May)	91	=B
Total Interest	12,386.11	=C
Period Interest	7,758.33	=C*A/B

Note J3c: Calculation of Accrual in USD

Start date	3-Feb-03	
Month End Date	31-Mar-03	
Days (include 31-Mar)	57	=A
Start date	3-Feb-03	
Maturity Date	5-May-03	
Days (exclude 5-May)	91	=B
Total Interest	12,638.89	=C
Period Interest	7,916.67	=C*A/B

Note J3b&d: System journals to DFI – Non-Current Liability if net interest is a payable to bank and MTM is a loss.

Note J3f: The MTM value as of 31-Mar-03 is maintained manually at the Interest Rate Swap screen.

J4 Reversal Month End IRS Accruals

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	1-Apr-03	B	IRS - Interest Receivables	USD	-7,758.33	1.000000	USD	-7,758.33	J4a
IRS1001	1-Apr-03	P	IRS - Interest Income	USD	7,758.33	1.000000	USD	7,758.33	J4b
IRS1001	1-Apr-03	B	IRS - Interest Payables	USD	7,916.67	1.000000	USD	7,916.67	J4c
IRS1001	1-Apr-03	P	IRS - Interest Expense	USD	-7,916.67	1.000000	USD	-7,916.67	J4d
IRS1001	1-Apr-03	B	IRS - MTM Revaluation	USD	2,054.13	1.000000	USD	2,054.13	J4e
IRS1001	1-Apr-03	P	IRS: MTM Losses	USD	-2,054.13	1.000000	USD	-2,054.13	J4f
IRS1001	1-Apr-03	B	IRS - Hedging Reserve	USD	-7,758.33	1.000000	USD	-7,758.33	J4a
IRS1001	1-Apr-03	B	IRS - DFI - Non-Current Liability	USD	7,758.33	1.000000	USD	7,758.33	J4b
IRS1001	1-Apr-03	B	IRS - Hedging Reserve	USD	7,916.67	1.000000	USD	7,916.67	J4c
IRS1001	1-Apr-03	B	IRS - DFI - Non-Current Liability	USD	-7,916.67	1.000000	USD	-7,916.67	J4d

J5 Month End IRS Accruals

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	30-Apr-03	B	IRS - Interest Receivables	USD	11,841.67	1.000000	USD	11,841.67	J5a
IRS1001	30-Apr-03	P	IRS - Interest Income	USD	-11,841.67	1.000000	USD	-11,841.67	J5b
IRS1001	30-Apr-03	B	IRS - Interest Payables	USD	-12,083.33	1.000000	USD	-12,083.33	J5c
IRS1001	30-Apr-03	P	IRS - Interest Expense	USD	12,083.33	1.000000	USD	12,083.33	J5d
IRS1001	30-Apr-03	B	IRS - MTM Revaluation	USD	2,061.20	1.000000	USD	2,061.20	J5e
IRS1001	30-Apr-03	P	IRS: MTM Gains	USD	-2,061.20	1.000000	USD	-2,061.20	J5f
IRS1001	30-Apr-03	B	IRS - Hedging Reserve	USD	11,841.67	1.000000	USD	11,841.67	J5a
IRS1001	30-Apr-03	B	IRS - DFI - Non-Current Asset	USD	-11,841.67	1.000000	USD	-11,841.67	J5b
IRS1001	30-Apr-03	B	IRS - Hedging Reserve	USD	-12,083.33	1.000000	USD	-12,083.33	J5c
IRS1001	30-Apr-03	B	IRS - DFI - Non-Current Asset	USD	12,083.33	1.000000	USD	12,083.33	J5d

Note J5a: Calculation of Accrual in USD

Start date	3-Feb-03	
Month End Date	30-Apr-03	
Days (include 30-Apr)	87	=A
Start date	3-Feb-03	

Maturity Date	5-May-03	
Days (exclude 5-May)	91	=B
Total Interest	12,386.11	=C
Period Interest	11,841.67	=C*A/B

Note J5c: Calculation of Accrual in USD

Start date	3-Feb-03	
Month End Date	30-Apr-03	
Days (include 30-Apr)	87	=A
Start date	3-Feb-03	
Maturity Date	5-May-03	
Days (exclude 5-May)	91	=B
Total Interest	12,638.89	=C
Period Interest	12,083.33	=C*A/B

Note J5b&d: System journals to DFI – Non-Current Assets if net interest is a payable to bank and MTM is a gain.

Note J5f: The MTM value as of 30-Apr-03 is maintained manually at the Interest Rate Swap screen.

J6 Reversal Month End IRS Accruals

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	1-May-03	B	IRS - Interest Receivables	USD	-11,841.67	1.000000	USD	-11,841.67	J5a
IRS1001	1-May-03	P	IRS - Interest Income	USD	11,841.67	1.000000	USD	11,841.67	J5b
IRS1001	1-May-03	B	IRS - Interest Payables	USD	12,083.33	1.000000	USD	12,083.33	J5c

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	1-May-03	P	IRS - Interest Expense	USD	-12,083.33	1.000000	USD	-12,083.33	J5d
IRS1001	1-May-03	B	IRS - MTM Revaluation	USD	-2,061.20	1.000000	USD	-2,061.20	J5e
IRS1001	1-May-03	P	IRS: MTM Gains	USD	2,061.20	1.000000	USD	2,061.20	J5f
IRS1001	1-May-03	B	IRS - Hedging Reserve	USD	-11,841.67	1.000000	USD	-11,841.67	J5a
IRS1001	1-May-03	B	IRS - DFI - Non-Current Asset	USD	11,841.67	1.000000	USD	11,841.67	J5b
IRS1001	1-May-03	B	IRS - Hedging Reserve	USD	12,083.33	1.000000	USD	12,083.33	J5c
IRS1001	1-May-03	B	IRS - DFI - Non-Current Asset	USD	-12,083.33	1.000000	USD	-12,083.33	J5d

J7 **Interest Settlement on IRS**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	5-May-03	P	IRS - Interest Income	USD	-12,386.11	1.000000	USD	-12,386.11	J7a
IRS1001	5-May-03	B	Cash at Bank	USD	-252.78	1.000000	USD	-252.78	J7b
IRS1001	5-May-03	P	IRS - Interest Expense	USD	12,638.89	1.000000	USD	12,638.89	J7c

Note J7b: **Net Interest Calculation in USD**

Pay Amount	-12,638.89

Receive Amount	12,386.11
Net	-252.78

J8 **Month End IRS Accruals**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	31-May-03	B	IRS - Interest Receivables	USD	3,842.40	1.000000	USD	3,842.40	J8a
IRS1001	31-May-03	P	IRS - Interest Income	USD	-3,842.40	1.000000	USD	-3,842.40	J8b
IRS1001	31-May-03	B	IRS - Interest Payables	USD	-3,750.00	1.000000	USD	-3,750.00	J8c
IRS1001	31-May-03	P	IRS - Interest Expense	USD	3,750.00	1.000000	USD	3,750.00	J8d
IRS1001	31-May-03	B	IRS - MTM Revaluation	USD	2,054.22	1.000000	USD	2,054.22	J8e
IRS1001	31-May-03	P	IRS: MTM Gains	USD	-2,054.22	1.000000	USD	-2,054.22	J8f
IRS1001	31-May-03	B	IRS - Hedging Reserve	USD	3,842.40	1.000000	USD	3,842.40	J8a
IRS1001	31-May-03	B	IRS - DFI - Non-Current Asset	USD	-3,842.40	1.000000	USD	-3,842.40	J8b
IRS1001	31-May-03	B	IRS - Hedging Reserve	USD	-3,750.00	1.000000	USD	-3,750.00	J8c
IRS1001	31-May-03	B	IRS - DFI - Non-Current Asset	USD	3,750.00	1.000000	USD	3,750.00	J8d

Note J8a: **Calculation of Accrual in USD**

Start date	5-May-03	
Month End Date	31-May-03	
Days (include 31-May)	27	=A
Start date	5-May-03	
Maturity Date	4-Aug-03	
Days (exclude 4-Aug)	91	=B
Total Interest	12,950.31	=C
Period Interest	3,842.40	=C*A/B

Note J8c: Calculation of Accrual in USD

Start date	5-May-03	
Month End Date	31-May-03	
Days (include 31-May)	27	=A
Start date	5-May-03	
Maturity Date	4-Aug-03	
Days (exclude 4-Aug)	91	=B
Total Interest	12,638.89	=C
Period Interest	3,750.00	=C*A/B

Note J8b&d: System journals to DFI – Non-Current Assets if net interest is a receivable from bank and MTM is a gain.

Note J8f: The MTM value of 31-May-03 is maintained manually at the Interest Rate Swap screen.

J9 Reversal Month End IRS Accruals

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	1-Jun-03	B	IRS - Interest Receivables	USD	-3,842.40	1.000000	USD	-3,842.40	J9a

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	1-Jun-03	P	IRS - Interest Income	USD	3,842.40	1.000000	USD	3,842.40	J9b
IRS1001	1-Jun-03	B	IRS - Interest Payables	USD	3,750.00	1.000000	USD	3,750.00	J9c
IRS1001	1-Jun-03	P	IRS - Interest Expense	USD	-3,750.00	1.000000	USD	-3,750.00	J9d
IRS1001	1-Jun-03	B	IRS - MTM Revaluation	USD	-2,054.22	1.000000	USD	-2,054.22	J9e
IRS1001	1-Jun-03	P	IRS: MTM Gains	USD	2,054.22	1.000000	USD	2,054.22	J9f
IRS1001	1-Jun-03	B	IRS - Hedging Reserve	USD	-3,842.40	1.000000	USD	-3,842.40	J9a
IRS1001	1-Jun-03	B	IRS - DFI - Non-Current Asset	USD	3,842.40	1.000000	USD	3,842.40	J9b
IRS1001	1-Jun-03	B	IRS - Hedging Reserve	USD	3,750.00	1.000000	USD	3,750.00	J9c
IRS1001	1-Jun-03	B	IRS - DFI - Non-Current Asset	USD	-3,750.00	1.000000	USD	-3,750.00	J9d

J10 **Month End IRS Accruals**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	30-Jun-03	B	IRS - Interest Receivables	USD	8,111.73	1.000000	USD	8,111.73	J10a

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	30-Jun-03	P	IRS - Interest Income	USD	-8,111.73	1.000000	USD	-8,111.73	J10b
IRS1001	30-Jun-03	B	IRS - Interest Payables	USD	-7,916.67	1.000000	USD	-7,916.67	J10c
IRS1001	30-Jun-03	P	IRS - Interest Expense	USD	7,916.67	1.000000	USD	7,916.67	J10d
IRS1001	30-Jun-03	B	IRS - MTM Revaluation	USD	-2,043.89	1.000000	USD	-2,043.89	J10e
IRS1001	30-Jun-03	P	IRS: MTM Losses	USD	2,043.89	1.000000	USD	2,043.89	J10f
IRS1001	30-Jun-03	B	IRS - Hedging Reserve	USD	8,111.73	1.000000	USD	8,111.73	J10a
IRS1001	30-Jun-03	B	IRS - DFI - Non-Current Liability	USD	-8,111.73	1.000000	USD	-8,111.73	J10b
IRS1001	30-Jun-03	B	IRS - Hedging Reserve	USD	-7,916.67	1.000000	USD	-7,916.67	J10c
IRS1001	30-Jun-03	B	IRS - DFI - Non-Current Liability	USD	7,916.67	1.000000	USD	7,916.67	J10d

Note J10a: Calculation of Accrual in USD

Start date	5-May-03	
Month End Date	30-Jun-03	
Days (include 30-Jun)	57	=A
Start date	5-May-03	
Maturity Date	4-Aug-03	
Days (exclude 4-Aug)	91	=B

Total Interest	12,950.31	=C
Period Interest	8,111.73	=C*A/B

Note J10c: Calculation of Accrual in USD

Start date	5-May-03	
Month End Date	30-Jun-03	
Days (include 30-Jun)	57	=A
Start date	5-May-03	
Maturity Date	4-Aug-03	
Days (exclude 4-Aug)	91	=B
Total Interest	12,638.89	=C
Period Interest	7,916.67	=C*A/B

Note J10b&d: System journals to DFI – Non-Current Liability if net interest is a receivable from bank and MTM is a loss.

Note J10f: The MTM value of 30-Jun-03 is maintained manually at the Interest Rate Swap screen.

J11 Reversal Month End IRS Accruals

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	1-Jul-03	B	IRS - Interest Receivables	USD	-8,111.73	1.000000	USD	-8,111.73	J11a
IRS1001	1-Jul-03	P	IRS - Interest Income	USD	8,111.73	1.000000	USD	8,111.73	J11b
IRS1001	1-Jul-03	B	IRS - Interest Payables	USD	7,916.67	1.000000	USD	7,916.67	J11c

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	1-Jul-03	P	IRS - Interest Expense	USD	-7,916.67	1.000000	USD	-7,916.67	J11d
IRS1001	1-Jul-03	B	IRS - MTM Revaluation	USD	2,043.89	1.000000	USD	2,043.89	J11e
IRS1001	1-Jul-03	P	IRS: MTM Losses	USD	-2,043.89	1.000000	USD	-2,043.89	J11f
IRS1001	1-Jul-03	B	IRS - Hedging Reserve	USD	-8,111.73	1.000000	USD	-8,111.73	J11a
IRS1001	1-Jul-03	B	IRS - DFI - Non-Current Liability	USD	8,111.73	1.000000	USD	8,111.73	J11b
IRS1001	1-Jul-03	B	IRS - Hedging Reserve	USD	7,916.67	1.000000	USD	7,916.67	J11c
IRS1001	1-Jul-03	B	IRS - DFI - Non-Current Liability	USD	-7,916.67	1.000000	USD	-7,916.67	J11d

J12 **Final Settlement on IRS**

TradeID	PostDate	B/P	Account	Ccy	Ccy Amount	Exc Rate	Ccy	Base Amount	Line
IRS1001	3-Feb-06	P	IRS - Interest Income	USD	-12,522.22	1.000000	USD	-12,522.22	J12a
IRS1001	3-Feb-06	B	Cash at Bank	USD	-255.56	1.000000	USD	-255.56	J12b
IRS1001	3-Feb-06	P	IRS - Interest Expense	USD	12,777.78	1.000000	USD	12,777.78	J12c

Note J12b: **Net Interest Calculation in USD**

Pay Amount	-12,777.78

Receive Amount	12,522.22
Net	-255.56

EXCHANGE RATES

Our illustration assumes the company uses different daily exchange rates for accounting.

Average rates are computed by using the multiplier rate from trade/transaction currency to the base currency each day and averaging this over the relevant period.

The following rates were used for this illustration.

Date	USD
1-Feb-03	1.000000

FREQUENTLY ASKED QUESTIONS

RELATED INFORMATION

CHANGE HISTORY

Date	By	Changes
10-Oct-2016	TS	Creation.
14-Dec-2016	TS	Updated. Changed DFI - Non-Current Asset/ Liability to BS.
6-May-2020	LT	Re-formatting.