

Hedge Accounting Made Easy

A Simplified Approach to Determining Hedge Effectiveness and Meeting Accounting Standards



Hedge accounting is a complex business function that requires specific expertise. Finance professionals must comply with evolving regulations to ensure that their hedges remain effective in a quickly changing environment. On the operating level, hedge effectiveness calculations are often maintained manually in spreadsheets that lack documentation for justifying outputs.

FINCAD's Hedge Accounting Insight (HAI) service addresses these challenges. Instead of using error prone standalone spreadsheets, you'll be able to calculate all your hedges in one place. FINCAD's models are thoroughly documented, and regularly updated to reflect the latest accounting requirements. Using HAI can also help you easily adapt to changing market conditions such as the phase-out of Libor, as all FINCAD solutions are current with the new alternative risk-free rates (ARR'S).



Trade in Your Spreadsheets for the Ease of Automation

Hedge accounting is a complex task, one that often consumes considerable time and resources. This is particularly true when data is input manually, and the process relies on uncontrolled spreadsheets. FINCAD's automated, web-based hedge accounting solution allows you to spend less time valuing hedges, so you can focus on your core responsibilities.

The FINCAD HAI interface is both easy and intuitive to use, so you won't need to spend a lot of time learning a new and complex system. Results can be easily exported to Excel or as CSV and PDF files, depending on your preference. And if ever you need help, our Support team is ready and available.

Stay on Top of Your Hedge Effectiveness Risk

When a hedge becomes ineffective, it can result in high costs. FINCAD can help you mitigate this risk. HAI's output is centered around hedge effectiveness metrics for each of your hedged instruments and their associated derivatives. You can see if a given hedge is close to becoming ineffective, empowering you to take proactive risk mitigation steps.

Automated, detailed hedge effectiveness reports can be scheduled for delivery to your inbox as needed. Your reported results can enable you to react quickly to a range of changing market events and conditions, including, but not limited to market volatility and the switch to new ARR's



Meet Requirements without Adding Extra Work

International and US accounting standards require companies to test hedge effectiveness on both a prospective and retrospective basis. This can be a very time-intensive exercise.

Why not, leave the hard work to us? Use FINCAD to cost-effectively manage compliance with hedge accounting standards including full pass/fail hedge testing transparency—without adding to your to-do list. As a leader in derivatives valuation and risk analysis, FINCAD provides auditors and corporate treasuries alike with the detailed reports they need. Our hedge accounting service is certified with SOC 1 and SOC 2, type 2 attestations. Clients around the globe trust FINCAD calculations for their accuracy and transparency.



Take back control of your hedge accounting with FINCAD.

FINCAD[®]
Confidence in Risk

Stay ahead of the curve. Schedule a conversation with a solutions specialist today.

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