



IBM Performance 2011

Reinvent your statutory and
regulatory reporting using
Clarity FSR



Speakers: Dale Poustie and Wayne Isaac
FSR Technical Sales Division

Date:



Important disclaimer

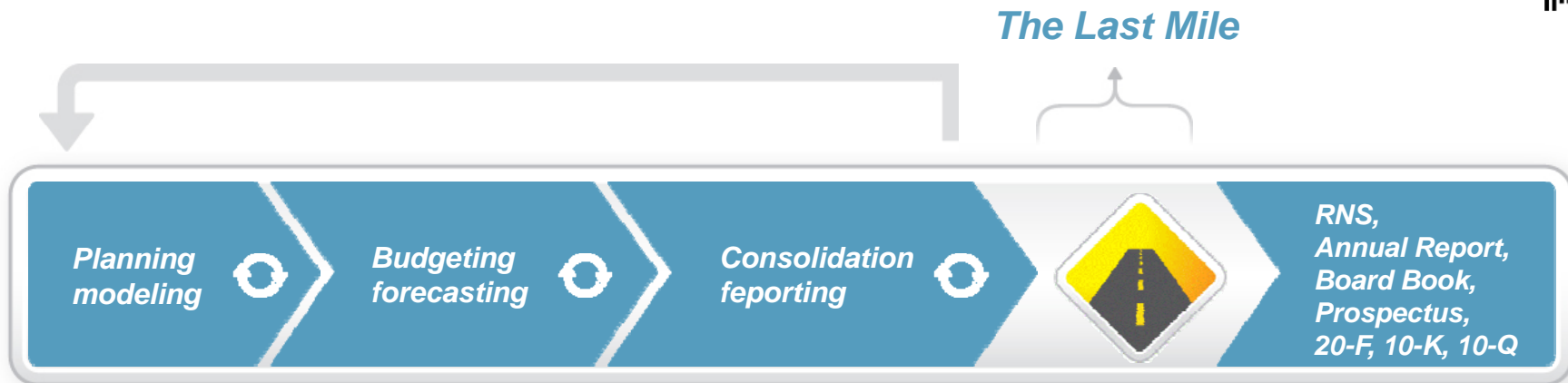


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Clarity FSR – an innovation for the Office of Finance



The last mile in financial reporting

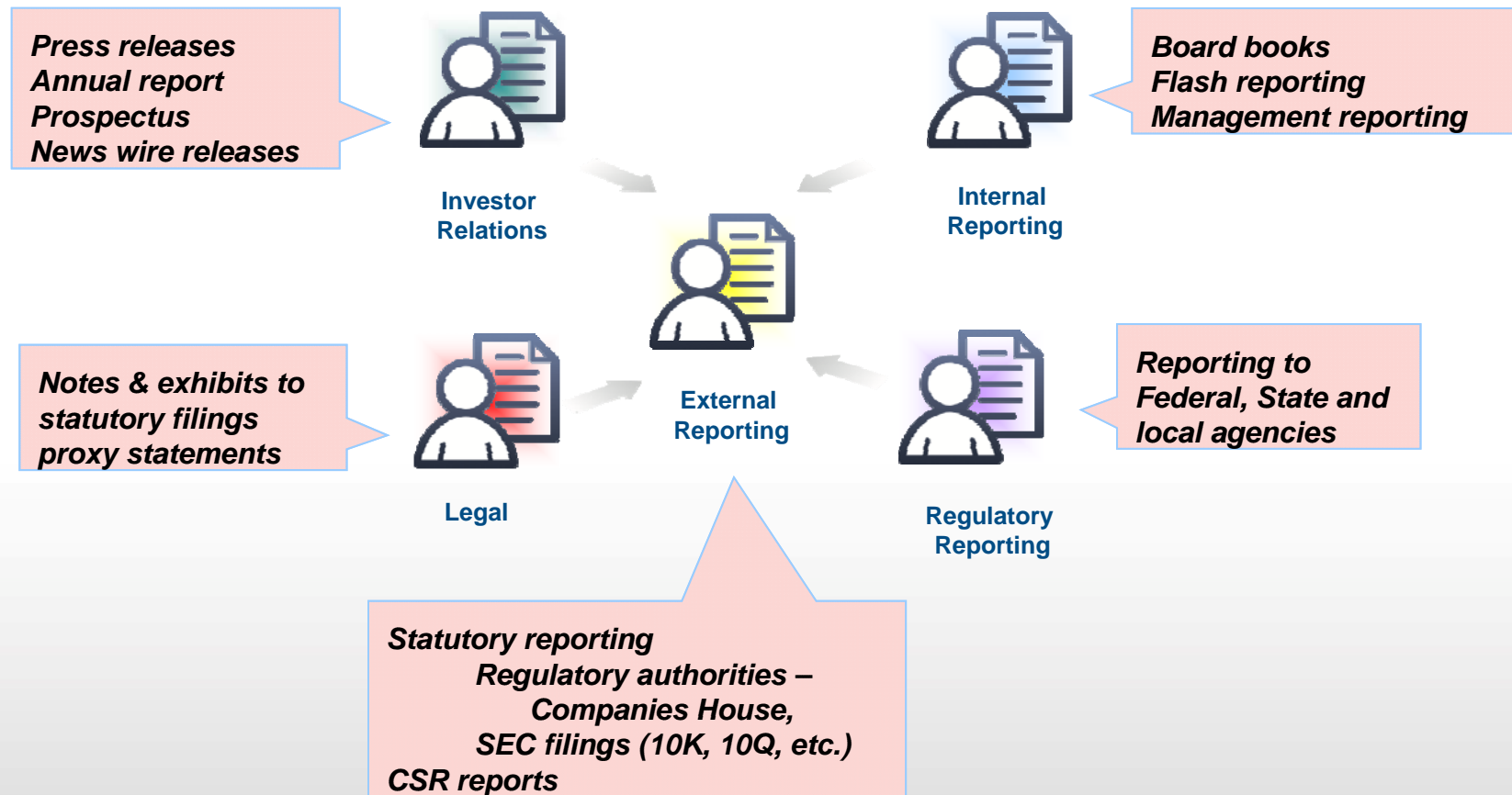


- Companies spend a lot of **time** and **energy** on the final outputs
- FSR manages reporting processes surrounding various **external** and **regulatory reports** along with **internal reports**, all of which require **narrative collaboration** combined with tables, charts and graphs from sub-system sources

Who benefits from Clarity FSR?



Anyone who needs financial and management information

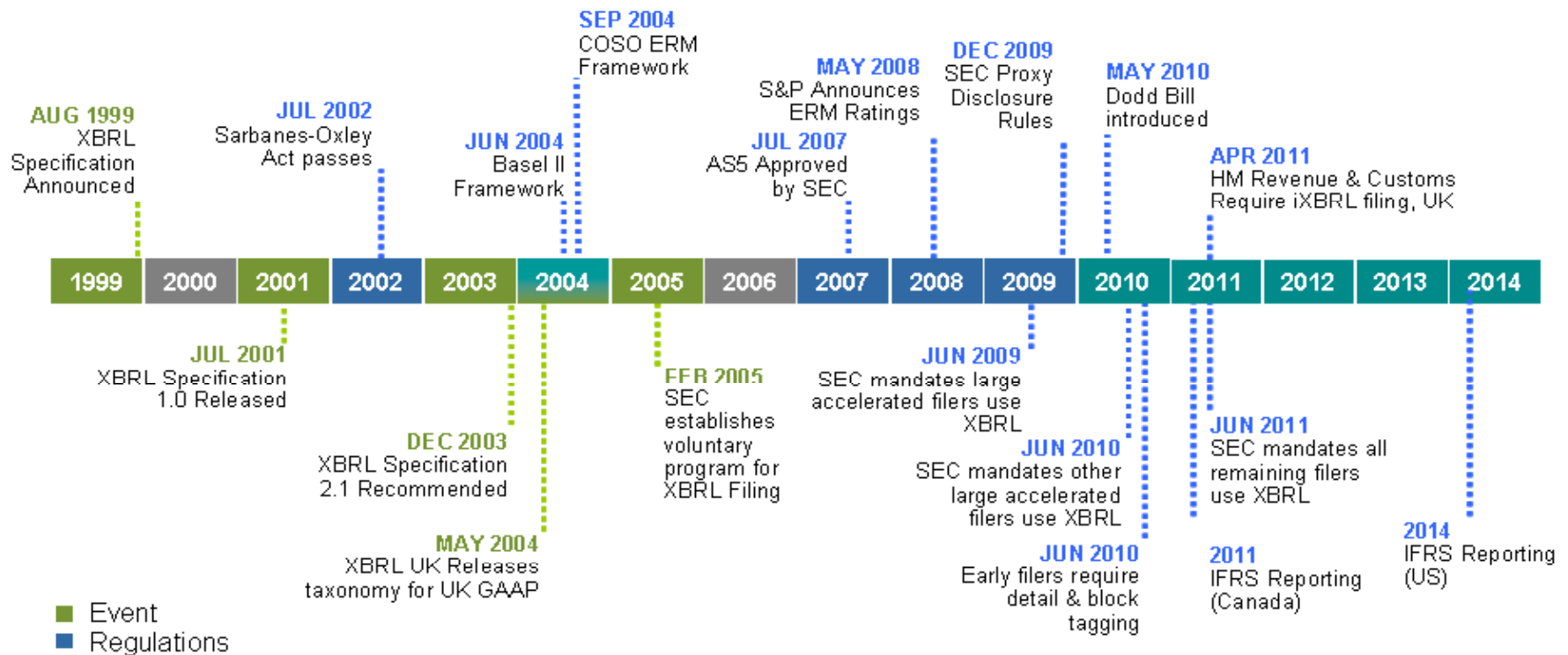


Why is FSR important?



Need nothing less than 100% accuracy

- Companies are under pressure to ***electronically file*** and deliver financial statements to local ***financial regulatory*** agencies
- Need for ***quality assurance*** in financial results



What companies struggle with



Manual processes dominate "The Last Mile"

- There is no tolerance for mistakes and Finance teams must deliver certified, accurate, and auditable financial results. These requirements quite often present a company with a number of challenges:
 - Extensive use of Word, Excel and E-mail
 - Data accuracy issues
 - Limited collaboration options
 - No internal controls or workflow management
 - Lack of complete control over timelines and filings
 - No audit trail
 - High degree of risk
- These struggles result in continuous inefficiencies that recur each reporting period

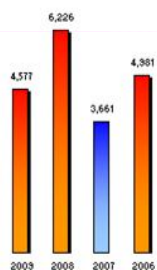


Risk of errors, Late filing, insider leaks, non-compliance

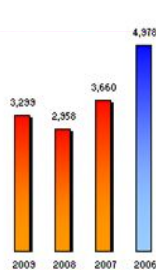
ITEM 6. FINANCIAL DATA

(In thousands, except per share amounts, ratios and other)	2009	2008	2007
Summary of Operations			
Net sales	\$ 4,576,528	\$ 6,225,909	\$ 3,661,222
Comparable store sales increase (decrease)	1.13	1.31	1.69
Gross profit	\$ 3,299,130	\$ 2,957,989	\$ 2,639,304
Gross profit as a percentage of net sales	72%	48%	72%
Operating income	\$ 2,287,684	\$ 1,501,437	\$ 1,830,139
Operating income as a percentage of net sales	50%	24%	50%

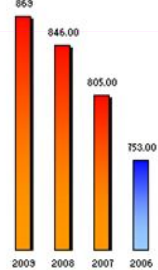
Revenue



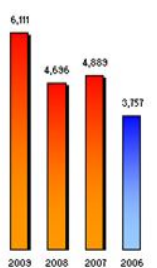
Gross Profit



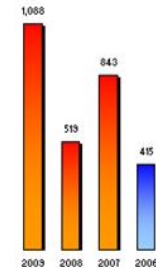
Stores



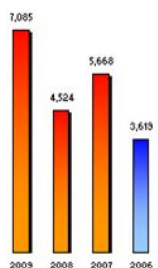
Current Assets



Liabilities



Equity



Financial data & charts from Excel

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains certain statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from those expressed in, or implied by, our forward-looking statements. Words such as "expects," "anticipates," "believes," "estimates" and other similar expressions or future or conditional verbs such as "will," "should," "would" and "could" are intended to identify such forward-looking statements. Readers of the Form 10-K of office supplies INC Corporation not rely solely on the forward-looking statements and should consider all uncertainties and risks throughout this report as well as those discussed under Item 1A, "Risk Factors" of the Annual Report on Form 10-K. The statements are representative only as of the date they are made, and the Corporation undertakes no obligation to update any forward-looking statement.

Possible events or factors that could cause results or performance to differ materially from those expressed in our forward-looking statements include the following: changes in general economic conditions and economic conditions in the geographic regions and industries in which the Corporation operates which may affect, among other things, the level of nonperforming assets, charge-offs and provision expense; changes in the interest rate environment and market liquidity which may reduce interest margins, impact funding sources and affect the ability to originate and distribute financial products in the primary and secondary markets; changes in foreign exchange rates; adverse movements and volatility in debt and equity capital markets; changes in market rates and prices which may adversely impact the value of financial products including securities, loans, deposits, debt and derivative financial instruments, and other similar financial instruments; political conditions and related actions by the United States abroad which may adversely affect the Corporation's businesses and economic conditions as a whole; liabilities resulting from litigation and regulatory investigations, including costs, expenses, settlements and judgments; changes in domestic or foreign tax laws, rules and regulations as well as monetary and fiscal policy; changes in the Federal Reserve System, the Federal Reserve Bank of Dallas, and the Financial Services Regulatory Board; changes in local, regional and international business conditions; ability to obtain financing; acceptance of such financing; ability to sell or close units of business; and other risks.

Annual reports have broken the ton, with the average length over 100 pages

Deloitte survey 2010

Liquidity Risk

Liquidity is the ability of the Corporation to meet its business operations needs and accommodate unanticipated events. The Corporation's 2008

The company maintains a cushion of excess liquidity that would be sufficient to fully fund the holding company and nonbank affiliate operations for an extended period during which funding from normal sources is disrupted. The primary measure used to assess the company's liquidity is the "Time to Required Funding" during such a period of liquidity disruption. This measure assumes that the parent company is unable to generate funds from debt or equity issuance, and no longer pays dividends to shareholders while continuing to meet nondiscretionary uses needed to maintain bank operations and repayment of contractual principal and interest payments owed. Under this scenario, the amount of time the company and its nonbank can operate and meet all obligations before the current liquid assets are exhausted is considered the "Time to Required Funding." ALCO approves the target range set for this metric, in months, and monitors adherence to the target. Maintaining excess company cash helps to facilitate the target range months for "Time to Required Funding" and is the primary driver of the timing and amount of the Corporation's debt issuances. As of March 31, 2008, "Time to Required Funding" was 20 months compared to 19 months at December 31, 2008. Our "Time to Required Funding" remained below our target range at March 31, 2008 primarily due to the funding of LaSalle and the impact of the market disruptions that began in the second half of 2006 on our earnings.

One ratio that can be used to monitor the stability of funding composition is the "loan to domestic deposit" ratio. This ratio reflects the percent of loans and leases that are funded by domestic core deposits, a relatively stable funding source.

Variable text and narrative from Word

What is Clarity FSR?



Automates financial reporting, improving efficiency and data quality

■ Key Features:

- Reports are dynamically driven, with data seeded from a central database
- Word used for narrative input and formatting options, automatically linking Excel calculations and charting options within a single application framework
- Workflow and version control are built in for report approvals and reviews
- Complete control over timelines and filings
- Controlled / secure user access with full audit trails
- Central library for compliance checklists
- Multiple output options
- Fully integrated XBRL and iXBRL tagging as well as taxonomy management



Clarity FSR – how does it work?



Workflow & version control
Secure access
Audit trail
Compliance check list

Business rules
Variables in text

Clarity FSR Application

- Title Page
- Table of Contents
- Letter to Shareholders
- Business Overview
- Business Overview**
- Balance Sheet
- Income Statement
- Cash Flow Statement
- Notes – Cash
- Notes – Long Term Assets
- Notes – Revenue
- Auditors Report
- Compliance Processes

Output Options

Collaboration

Drafts

Printed

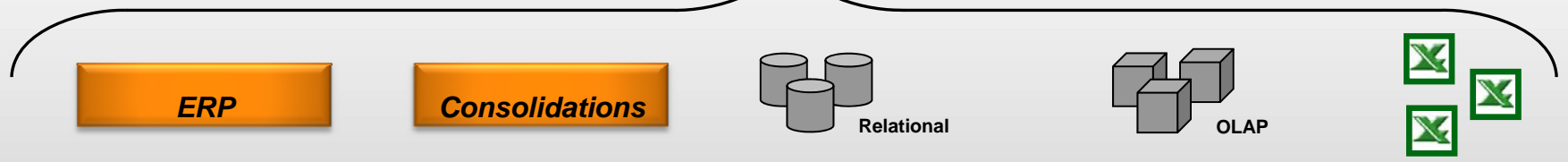
London Stock Exchange
 SEC
XBRL
 ID ADOBE

Non-financial data
 (Operational/statistical/CSR)

Single version
Of the truth

Financial information

Multiple outputs



ITEM 6. FINANCIAL DATA

(In thousands, except per share amounts, ratios and other)

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Exchange rates, adverse movements and volatility in which may adversely impact the value of financial instruments, and other similar financial liabilities resulting from litigation and regulatory changes in domestic or foreign tax laws, rules and governmental agencies' interpretations thereof; various actions taken by the Board of Governors of the Federal Reserve Bank of the District of Columbia, the Federal Deposit Insurance Corporation, state regulators and the FDIC, changes in accounting standards, rules and interpretations; competition with other nonbank financial institutions; ability to grow core products, services and enhancements, and gain market share; and integration into the Corporation, decisions to downsize, sell or close units or other risks.

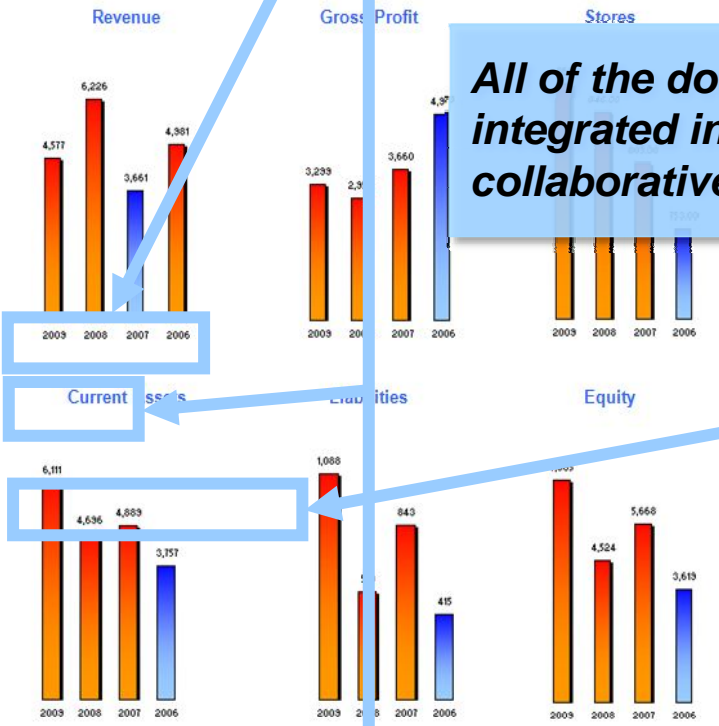
Liquidity Risk

Liquidity risk is the ongoing ability to accommodate liability maturities and deposit withdrawals, fund asset growth and meet contractual obligations through unconstrained access to funding at reasonable market rates. Liquidity management involves forecasting funding requirements and maintaining sufficient capacity to meet the fluctuations in asset and liability levels due to changes in our business operations or unanticipated events. A more detailed discussion of our liquidity risk is included beginning of the MD&A of the Corporation's 2008 Annual Report on Form 10-K.

The company maintains a cushion of excess liquidity that would be sufficient to fully fund the holding company and nonbank affiliate operations for an extended period during which funding from normal sources is disrupted. The primary measure used to assess the company's liquidity is the "Time to Required Funding" during such a period of liquidity disruption. This measure assumes that the parent company is unable to generate funds from debt or equity issuance, and no longer pays dividends and interest payments owed. Under this scenario, the amount of time operations and its nonbank affiliate can operate and meet all obligations before the current liquid assets are exhausted is considered the "Time to Required Funding." ALCO approves the target range set for this metric, in months, and monitors adherence to the target. Maintaining excess company cash helps to facilitate the target range months for "Time to Required Funding" and is the primary driver of the timing and amount of the Corporation's debt issuances. As of March 31, 2008, "Time to Required Funding" was 20 months compared to 19 months at December 31, 2008. Our "Time to Required Funding" remained below our target range at March 31, 2008 primarily due to the funding of LaSalle and the impact of the market disruption that began in the second half of 2006 on our earnings.

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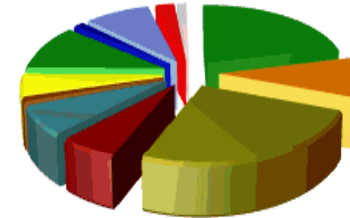
All of the document's separate elements integrated into one centrally managed collaborative report



Document Summary

Entity	External Reporting
Period	December 31, 2009

Document Status



Internal Auditor - 2.4 %	Reviewer - 8.4 %	Assistant Controller - 1.2 %	Data Contributor - 10.8 %	Manager - 4.8 %
External Auditor - 1.2 %	Legal - 7.2 %	Chief Accounting Officer - 6.0 %	Director Financial Reporting - 25.3 %	
Controller - 9.6 %	XBRL Tagging - 21.7 %	Test Workflow - 1.2 %		

Workflow and Status Views provide visibility into the process

Status by Object

Drag a column header here to group by that column

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
	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

No. objects: 83

FSR product demonstration



Why companies choose Clarity FSR



Clarity is a market thought leader and innovator

- Competitive “Bolt-on” XBRL, iXBRL and ERP vendors address only a part of the external reporting problem
- FSR delivers the whole solution
 - A proven solution to reduce cost and increase confidence
 - Links the final report to the source data
 - Delivers multiple output options including XBRL and iXBRL

“Currently, Clarity Systems, the leader in this market, has established itself in financial governance through the recent successful introduction of its FSR product.”

Source: Gartner, Financial Statement Production: The Final Step in the Last Mile of Finance, 2009

“Clarity have been ahead of the game. Other suppliers have covered ‘bits’ of the market. Clarity have had the most complete package for a long while”

Source: Gary Simon, Editor, FSN



What's the value of FSR?



Reduce costs and increased confidence

- Improved productivity reduces overall cost and effort within the process
- Reduction in audit costs associated with the “Last Mile”
- Savings with printing/ production costs of the published accounts
- Fewer costs for XBRL and iXBRL as well as other electronic filing formats FSR delivers the whole solution
- Automation, Business Rules, Internal Controls, Workflow and Audit Trail reduce risk, preventing:
 - Non-compliance penalties
 - Data errors
 - Late filings
 - Insider leaks
- Ability to comply with new mandates



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- On the web:
ibm.com/software/analytics/community





Thank you





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