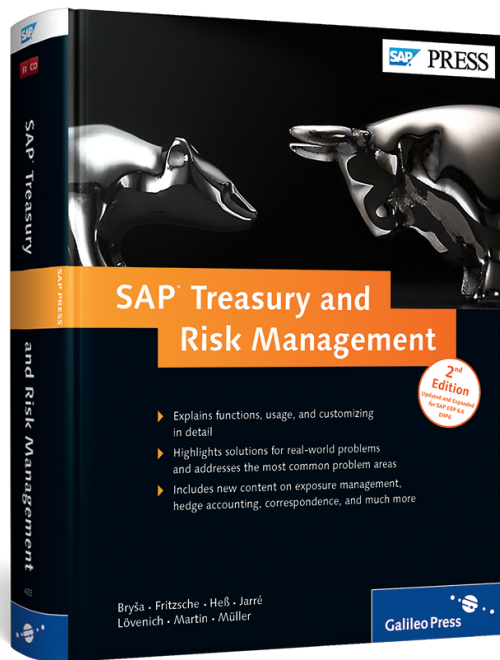


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## SAP® Treasury and Risk Management



Galileo Press 

Bonn • Boston

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### 3.3.3 Exchange Rate

#### Fixing the exchange rate

The financial instrument known as a foreign exchange fixing transaction relates to a middle rate quoted on the stock exchange on a specified day. As soon as this rate is determined, use automatic or manual fixing to enter it in the financial transaction. The fixing creates an activity transition from the FIXING activity or the FIXING SETTLEMENT activity to the CONTRACT activity.

It is also necessary to fix the foreign exchange rates for some financial instruments from the OTC options area. In these cases, fixing is not an activity in itself. Rather, it is the exchange-rate entry made in the financial transaction. The OTC option can be exercised only when all fixings have been performed for a transaction.

#### Automatic Fixing Processing

Automatic fixing processing for the foreign exchange financial instrument by means of the Automatic Fixing Processing transaction (TBCS) inserts the middle rate with exchange rate type M from the currency table TCURR into the financial transaction. For spreads that deviate from the ask rate and bid rate, a markup/markdown is taken into account for the amount of the separately stored fixing spread. The financial transaction is then saved in the CONTRACT activity.

The requirement for automatic fixing processing is that you have used the data feed or a file interface to import market data for current foreign exchange rates (see Chapter 7).

#### Manual Fixing

You can also use the FIXING button in the EXECUTE FIXING TRANSACTION transaction (TXV5) or PROCESS FINANCIAL TRANSACTION transaction (FTR\_EDIT) to fix the foreign exchange financial instruments. You can use both transactions to access a financial processing transaction data screen in order to enter a currency rate and save the financial transaction in the new CONTRACT activity.



### Average Rate Fixing

The Fix Average Rate transaction (TAV1) fixes exchange rates for the average-rate option, basket option, and correlation option financial instruments. For these financial instruments, the dates by which foreign exchange rates must be fixed are saved upon creation of the financial transaction. The settlement amount is determined from the foreign exchange rates when the option is exercised. Fixing

The selection screen for the transaction contains general selections for the financial transactions. You can use the UP TO AND INCLUDING RATE DATE parameter to define the date by which fixing is to be performed. Selection screen

If you have set the ONLY EXACT DAY RATES PERMITTED indicator, the system takes into account only rates with a date that concurs with the fixing date for the financial transaction when determining foreign exchange rates. The system issues an error message if no foreign exchange rate is defined in the system for the specified date. If this indicator is not set, the system first tries to find a to-the-day rate when determining foreign exchange rates. If this is not possible, the system also considers rates that are in the past from the perspective of the specified fixing date.

After you make your selections, the system displays a log with the results and error messages. Log

The Reset Average Rate Fixing transaction (TAV2) resets the foreign exchange rate fixings performed in Transaction TAV1. You can then perform the fixings again. Reset fixing

The selection screen in Transaction TAV2 is similar to the selection screen in Transaction TAV1 (Fix Average Rate). The AS OF AND INCLUDING RATE DATE field specifies from which key date the fixed rates are to be deleted. The log is structured in exactly the same way.

### 3.3.4 References

A reference establishes a relationship between any numbers of financial transactions. The reference category determines the meaning of a reference. Some references are automatically created for actions in the financial transactions, while others are created manually by the user. You can

use the following transactions to process references: Create Reference (TBR6), Change Reference (TBR7), Display Reference (TBR8), and Reverse Reference (TBR9).

**Reference categories** Table 3.7 displays the reference categories available in the system.

Reference Category	Description	Creation
BID	Offer	Automatic
CON	SWIFT confirmation files	Automatic
EUR	Euro transaction currency changeover	Automatic
MIR	Mirror transaction links	Automatic
KMP	Nettings	Manual
OPT	Option reference derivatives	Automatic
PRL	Rollover of foreign exchange transactions	Automatic
REF	General reference	Manual
SWP	Foreign exchange swap	Automatic
ICH	Issuance contract hedge	Manual

**Table 3.7** Reference Categories

Except for the mirror transaction links, you can also perform manual changes for automatically created references. For example, after reversing a currency option that belonged to an option spread, you could reassign the newly created currency option manually to the other currency option. However, such manual intervention is necessary only in exceptional cases.

**Collective processing of references**

You can use the COLLECTIVE PROCESSING OF REFERENCES transaction (TBRL) to monitor references. The result list contains the following functions for accessing reference processing: CREATE, CHANGE, DISPLAY, and REVERSE.

**Overview via a reference category**

To gain an overview of all nettings with a partner, for which money market transactions are involved, proceed as follows: start Transaction TBRL and select the reference category KMP and the money-market application. Now, restrict the selection to one or more partners.

### Overview of the References

In the creating a financial transaction data screen, you can gain an overview of the references associated with a financial transaction via ENVIRONMENT • OBJECT LINKS. Double-clicking a reference takes you to the detailed display screen for the reference. You can navigate to the relevant financial transactions from there.

[+]

### 3.3.5 Settlement

The processing category mentioned in Section 3.1.9 also defines whether there are settlement activities. For example, settlement category 00101 is defined for product category 600 and transaction category 100 with the activity sequence: ORDER – CONTRACT – SETTLEMENT. In this way, you can use the processing categories to exert a control function for creating a financial transaction.

Settlement activity

Settlement causes an activity transition from the current activity to the corresponding settlement activity. When doing this, you can change data, and the system checks the consistency of the data. In the central entry transaction for processing a financial transaction (Transaction FTR\_EDIT), the settlement function is represented by the SETTLE button.

### Mass Settlement

You can use the Mass Settlement of Financial Transactions transaction (FTR\_MASS\_SETTLE) to settle several financial transactions simultaneously.

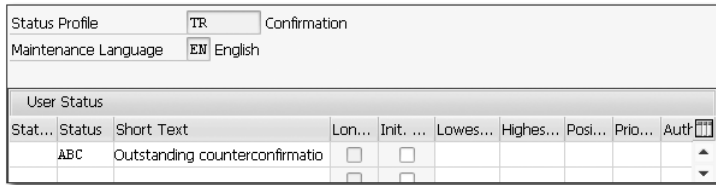
[+]

### 3.3.6 Status Management

Transaction management is linked to the general status management function. This is where the system status is defined and an assignment is defined for which business activities are possible for a status. Because all the transactions in transaction management represent business activities, status management also defines how an activity can set or delete one or more system status value. In addition, you can define the user status for yourself, as well as configure how it is controlled. The current status and resulting business activities are displayed on the STATUS tab page of the data screen.

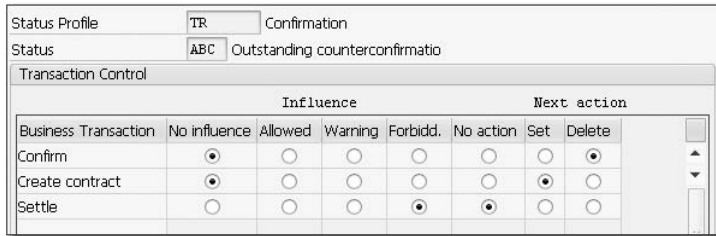
System status and user status

**Example:** For fixed-term deposit 51A with transaction type 100, when the contract is created, it should not be possible to settle the transaction until the counter-confirmation is received. To do this, create a profile in Customizing under TREASURY AND RISK MANAGEMENT • TRANSACTION MANAGER • GENERAL SETTINGS • TRANSACTION MANAGEMENT • STATUS MANAGEMENT • DEFINE STATUS PROFILE and assign a name to the status profile, enter some text, and specify a maintenance language. If you double-click a row that contains a status profile, you access the screen shown in Figure 3.29 and can define the status here. You can use the OBJECT TYPES button to assign it to the money-market financial instrument.



**Figure 3.29** Customizing Screen for Defining a Status Profile

If you double-click the user status displayed in a row, the system takes you to the activity control screen for the status profile described as transaction business in Figure 3.30. This is where you make the settings to ensure that the SETTLE business activity (described as a business transaction in Figure 3.30) is forbidden by the status. Setting the status ABC is the next action for the CREATE CONTRACT activity, while deleting the status is the next action for the CONFIRM activity.



**Figure 3.30** Customizing Screen for Transaction Control for a Status Profile

After saving your entries, you must assign the new status profile to the required transaction type in Customizing under TREASURY AND RISK

MANAGEMENT • TRANSACTION MANAGER • MONEY MARKET • TRANSACTION MANAGEMENT • TRANSACTION TYPES • DEFINE TRANSACTION TYPES.

**Correcting the Status**

If the status of a financial transaction becomes inconsistent, you can use the report RFTB\_STATUSOBJECT\_CREATE to restore the correct status.

[+]

### 3.3.7 Workflow

You can use a workflow to define release procedures for creating or processing a financial transaction, and to include the release in a user's worklist. The status management function triggers events for the business object BUS2042 (financial transaction) and thereby sets off workflows.

For product type 51A with transaction type 100, you want to implement a one-step release procedure for creating a contract so that another processor must concur before the contract can be created and subsequent processes, such as settlement, can be performed. It should also be possible to process the financial transaction and, in this case, reset the release procedure.

Example: workflow

In Customizing, under TREASURY AND RISK MANAGEMENT • TRANSACTION MANAGER • GENERAL SETTINGS • TRANSACTION MANAGEMENT • RELEASE • DEFINE RELEASE PROCEDURE, you can make the corresponding entry for the product type and transaction type and set the RELEASE PROCEDURE flag. Select the row and double-click the RELEASE CONDITIONS folder. You can now create a new release (see Figure 3.31).

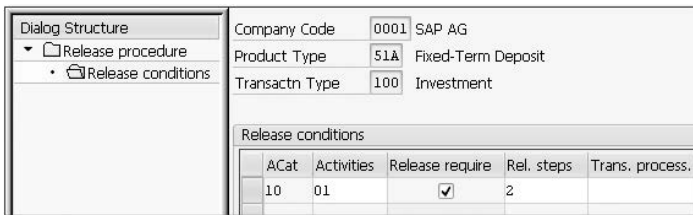


Figure 3.31 Customizing Screen for Defining Release Conditions

In Customizing, under TREASURY AND RISK MANAGEMENT • TRANSACTION MANAGER • GENERAL SETTINGS • TRANSACTION MANAGEMENT • RELEASE •

ADJUST/COPY WORKFLOW TEMPLATE, you should then copy the specified rule 20000034 and workflow 20000139 and adjust them according to your requirements.

If you have created a new workflow, you must still use the Display/Maintain Event Type Linkages transaction (SWETYPV) to add the new task to the event type linkage for the business object BUS2042. This transaction is located in the menu under TOOLS • ABAP WORKBENCH • DEVELOPMENT • SAP BUSINESS WORKFLOW • DEFINITION TOOLS • EVENTS • EVENT LINKAGES. If you now create a financial transaction of this kind as a contract, a new work item is created for approval in the worklist of the specified processor.

### 3.3.8 Change Documents

The changes to every financial transaction are logged in the database and written to change documents. You can navigate from the transaction creation data screen to the selection screen for change documents (see Figure 3.32) via the main menu: ENVIRONMENT • CHANGE DOCUMENTS. Alternatively, you can call the Treasury: Change Docs Transactions transaction (TBCD) directly.

The screenshot shows the 'Treasury' selection screen for change documents. It is divided into several sections:

- Treasury:** Contains 'Company Code' (0001) and 'Transaction' (10758) with search icons.
- Change:** Contains 'Date' (with a calendar icon) and 'User' fields, both with search icons. Below this, it states 'Restrictions based on date and user apply to:' with radio buttons for 'Last Changed On/By' (selected) and 'All Changes'. A note below reads '(All changes within the selection period are displayed)'.
- Output Control:** Contains checkboxes for 'Include Correspondence Changes' (unchecked) and 'Display in List Viewer' (checked). There is also a 'Layout' field.

**Figure 3.32** Selection Screen for Change Documents

Then, in Section 12.6, we cover the details of setup and management of the results database, which can store common analyses for the Market Risk Analyzer, Portfolio Analyzer, and Accounting Analyzer, making them available for overall reporting. Then, in Section 12.7, we look at the Credit Risk Analyzer before finishing the chapter with a short section about tools.

### »] Notes Regarding the Path Details

In many places in this text, due to their structural similarity, the menu paths of the Analyzers are built the same. Thus, we use an abbreviated specification here. The path `TREASURY AND RISK MANAGEMENT • MARKET RISK/PORTFOLIO/ACCOUNTING ANALYZER • TOOLS • FINANCIAL OBJECTS` means that you can find the transaction named under both `TREASURY AND RISK MANAGEMENT • MARKET RISK ANALYZER • TOOLS • FINANCIAL OBJECTS` and `TREASURY AND RISK MANAGEMENT • PORTFOLIO ANALYZER • TOOLS • FINANCIAL OBJECTS`, or under `TREASURY AND RISK MANAGEMENT • ACCOUNTING ANALYZER • TOOLS • FINANCIAL OBJECTS`.

## 12.1 The Analyzer Family

**History** Today, the Analyzers are an integral component of SAP Treasury and Risk Management. Their developmental history, however, was not so homogeneous. The analytical modules of SAP Treasury and Risk Management resulted from the coupling of modules from SEM Banking to Treasury Management for Release 4.6C, add-on CFM 1.0. Here, we present only the parts of the Analyzer family relevant to you as a user. In a few places, for reasons of clarity, we cover the connections of the Analyzers specifically with SEM Banking, in order to correctly delimit Analyzer functions between the SAP Treasury and Risk Management and SEM Banking.

The Portfolio Analyzer and Accounting Analyzer—the latest additions to the Analyzer family—have been developed independently of SEM Banking.

### 12.1.1 Market Risk Analyzer

**Market risk** The core task of the *Market Risk Analyzer* (Transaction TRM-MR) is the analysis of market risks in financial positions you are managing.

Changes in market prices represent important influencing factors for company success. Changes to market prices can influence the value or transaction value of payment flows. Operational enterprise activities and treasury transactions are both subject to these risks. The methodical variety of functionality of the Market Risk Analyzer allows the detailed assessment of your existing positions with respect to price determination factors.

The Market Risk Analyzer is designed for the requirements of different industries. It combines the methodical requirements from the financial services sector with the capability of including payment flows from operational enterprise activities in the risk analysis. Risks can be analyzed according to their causal risk factors, like exchange rates, interest rates, or commodity prices, using freely definable risk and portfolio hierarchies. Analyses like net present value analysis are just as much part of the spectrum as Value at Risk analyses, as a classical instrument of risk controlling. As an integral component of SAP Treasury and Risk Management, the analyses provide all relevant information from the transactional representation of the positions. The level of real transactions, positions, and market data can be extended if needed with business simulations and market data scenarios in order to show the change potentials of alternative backup strategies. The Market Risk Analyzer can therefore be divided into the following functional areas:

Functional  
spectrum

- ▶ Market data management
- ▶ Net present value calculator (also called the fair value calculator)
- ▶ Online reports
- ▶ Results database

### 12.1.2 Portfolio Analyzer

The *Portfolio Analyzer* (Transaction TRM-PA) groups tools for the calculation of yield and performance figures, as well as for the comparison of those key values with benchmarks. It is designed so that you can measure the success of investments from different custom-defined perspectives independently from the transactional entities using a variety of methods. The basis for calculation is the structuring of your portfolio

Functional  
spectrum



into portfolio hierarchies that define a flexible view of your positions with different levels of aggregation. On each of those levels, you can calculate the yields of a variety of variants and compare those benchmark figures with one another.

**Results database  
and Portfolio  
Analyzer**

The Portfolio Analyzer is concentrated on the results database because the greater runtime requirements in comparison with the Market Risk Analyzer largely forbid online analysis. You can use reporting to display the stored results, making navigation down to the individual transaction level of your analysis simple and results transparent. The structure of the portfolio hierarchies, as well as the yield and benchmark calculations, are versioned so that an audit of the basic calculations is possible at any time, as is the historization of calculation results.

### 12.1.3 Accounting Analyzer

**Functional  
spectrum**

The *Accounting Analyzer* (Transaction TRM-AA) provides accounting values, such as book value and amortized acquisition value, as well as values like simulated book value and simulated amortization in the world of Analyzers.

**Subledger position  
and  
sub-position**

The position components—separated by valuation area—are taken directly from the ledger positions. Strictly speaking, this involves the subledger positions and sub-positions. For reasons of compactness and better readability, in this chapter, we use the more compact term *ledger position* if the differentiated consideration of sub-positions is not necessary in the respective context.

**Integration with  
other Analyzers**

The Accounting Analyzer is available to you within the scope of the results database. This allows for reporting of position components together with the risk and yield key figures of the Market Risk Analyzer and Portfolio Analyzer. Position components of different valuation areas can be merged into one report. Typically, the Market Risk Analyzer and the Portfolio Analyzer use the level of detail of external positions. To be able to compare the key figures of the Accounting Analyzer with the risk and yield key figures of the Market Risk Analyzer and Portfolio Analyzer, you can also utilize the Market Risk Analyzer and the Portfolio Analyzer with the level of detail of ledger positions.

### 12.1.4 Credit Risk Analyzer

The *Credit Risk Analyzer* (Transaction TRM-CR) enables the active control of default risks by computation of attributable amounts and specification of limits. In the context of SAP Treasury and Risk Management, only the *counter-party risk* is considered—that is, the risk of loss of value of a receivable due to the degradation of credit standing of the business partner. The three key functions required for this task are attributable amount determination, limit management, and testing of limit utilization.

Counterparty risk

In *attributable amount determination*, the attributable amount is determined for the receivable subject to default risk. The basis of calculation is typically the net present value or the nominal amount of the receivable. These key figures can be either calculated in their full amount or combined using formulas with a default probability and recovery rate, which reduce the amount of the figures. The netting of mutual receivables can also be implemented for attributable amount determination.

Attributable amount determination

In *limit management*, you can create limit types according to different limit characteristics. Limit characteristics include the company code, business partner, trader, and currency. There are also customer characteristics available that you can fill with arbitrary values. For each concrete instance of the characteristics of a limit type, you can specify limits, which are then used to test the attributable amount when you perform the limit check on a transaction.

Limit management

The checking of transactions can take place using integrated single transaction checks or during end-of-day processing. Integrated single transaction checking can be performed directly during the creation or change of a transaction in the Transaction Manager. End-of-day processing is performed in the Credit Risk Analyzer.

Transaction-checking components and end-of-day processing

## 12.2 Basic Principles, Architecture, and Data Retention

In this section, we introduce you to the basic architectural principles of the Analyzers. The financial object decouples the operational world from the analytical world, where you can use analysis characteristics to construct an independent analytical view of your positions.

### 12.2.1 Basic Concepts

- Financial object and analytical characteristic** To understand the basic concepts, it helps to sidetrack a little from our actual topic, the Analyzers, for a brief look at their roots, SEM Banking. This process allows us a view of the key features of use and concepts. As an analytical module, SEM Banking has no actual operational processes like creation of transaction, payments, or accounting evaluations. It loads market and transaction data from the operational processes from different systems into its database, then performs the actual analyses. So, it acts as a sort of data warehouse. Each external system has its own concepts, entities, and architecture. Thus, the first task is to transform the different entities into a uniform language and format. Here is where we need the terms *financial object* and *analysis characteristics*, which we explain next.
- Financial object** The *financial object* is the central harmonization entity on which all the loaded positions and transactions are mapped. But it isn't a central data object containing all the information of a position or transaction. Rather, the financial object is a meta-object with the following properties:
- ▶ It contains information about which type of financial instrument it is based on—that is, where the actual position or transactional data is located. This can involve both an external position and a ledger position, or a simulated position.
  - ▶ It contains central administrative information.
  - ▶ It contains the information needed by and optimized for each analytical module in different parts, such as a series of analysis characteristics as attributes, for instance.
- Analysis characteristics** The *analysis characteristics* provide a harmonized view of the concepts of an external system. You can define your own analysis characteristics so that the analytical requirements and the descriptions and entities selected for them can be decoupled from operational concepts—but need not be. This lets you control the filling of analysis characteristics from the different systems individually via derivation rules.

If you replace the external system with the Transaction Manager, you now have a notion of the core features of the architecture of the Analyzers. This inheritance from SEM Banking results in a few characteristics of incredible value for the Analyzers:

Traces of  
SEM Banking

- ▶ Availability of information-containing structures adapted to the needs of each analytical application.
- ▶ The use of analysis characteristics that can be defined independently from operational concepts and attributes.
- ▶ The capability of processing and analyzing data not only from SAP Treasury and Risk Management, but also from other modules like SAP Cash and Liquidity Management, SAP Loans Management, General Ledger (FI-GL), SAP In-House Cash, or simply manually entered objects.

This gives you the capability of building a type of data warehouse with powerful analytical components. Now, let's look at the individual parts and their features within SAP Treasury and Risk Management. You generally use SAP Treasury and Risk Management with active financial object integration. This generates a financial object for each financial instrument position. The term *operational financial instrument position* here is not strongly focused on the "operational." As indicated in Figure 12.1, the Analyzers refer to both external positions and sub-positions. For the financial objects of position management, accounting aspects like valuation area-dependent segments of positions are taken into consideration. A financial object is therefore for the following entities:

Relationship of  
financial object and  
primary object

▶ **OTC transactions**

A financial object is generated for each OTC transaction.

▶ **Securities**

A financial object is generated for each class position in a securities account. Additionally, a financial object can be generated for each security transaction.

▶ **Futures and listed options**

Two options are available here that can be used in parallel: a financial object is generated for each class position in futures account, and a

financial object is generated for each lot-based position in a futures account.

► **Loans**

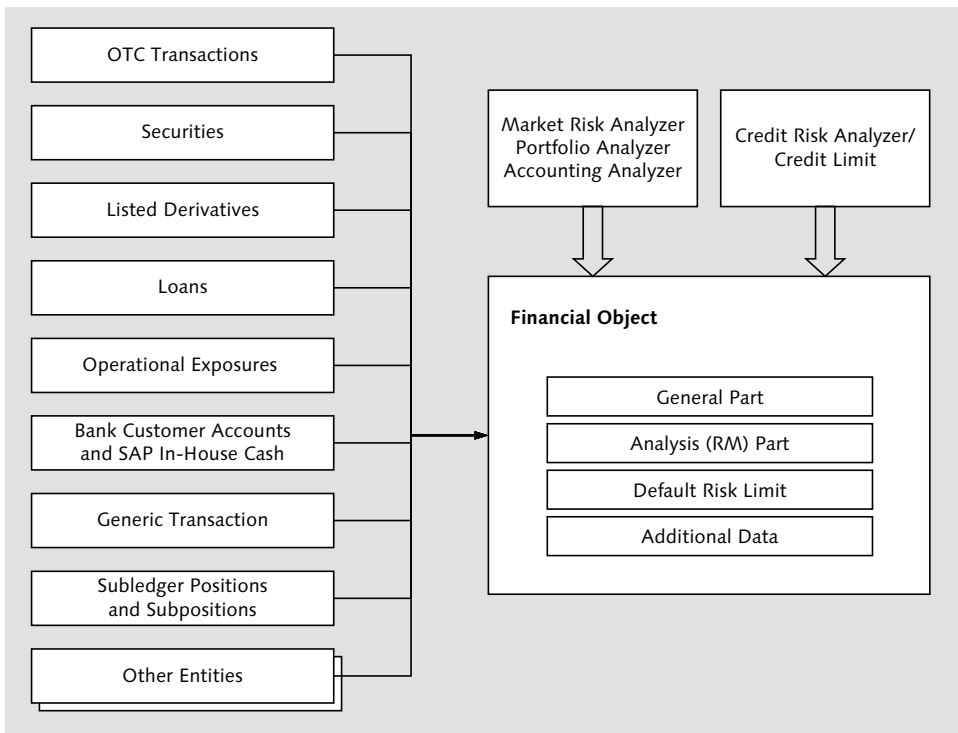
The financial object for loans is generated from the operational SAP Loans Management module. The loan financial object thus doesn't refer to the representation of the loan within the parallel valuation areas of the Transaction Manager.

► **Operational exposures**

A financial object is generated for each exposure position that is generated within the scope of Exposure Management (see Chapter 8).

► **Internal positions**

A financial object is generated for each individual position and sub-position separated by valuation area. Here, a position is split into various sub-positions when it is integrated with a hedging relationship.



**Figure 12.1** Financial Object as Meta-Object for Decoupling between Different Operational Data Stores and the Analytical Modules

We call these entities in the external position *operational primary objects* that serve as anchors for a financial object. Entities of internal position are referred to as *TRL primary objects*. However, even in the SAP Treasury and Risk Management analyzers, financial objects can be generated for a whole series of other entities, which can also be integrated into the analyses. These include, for instance, G/L accounts from the general ledger, bank customer accounts (SAP BCA), accounts from SAP In-House Cash (SAP IHC), and contracts from the loans module (SAP Loans Management).

Operational  
and TRL  
primary objects

While the Market Risk Analyzer and the Portfolio Analyzer can access any type of financial objects, the Accounting Analyzer can use only the financial objects of TRL primary objects. The Credit Risk Analyzer, in turn, accesses only the financial objects of operational primary objects.

Using the  
Analyzers

## 12.2.2 Financial Object Position Parts and Maintenance

Now, let's look at a financial object, its structure, and its maintenance.

### Introduction and General Part of the Financial Object

The financial object as central entity deserves a more detailed presentation. In this section, we introduce you to the financial object, its structure, and the options for manual maintenance. In operation, these steps are automatically carried out in the background within financial object integration, which is described in Section 12.2.5. But even with active financial object integration, it is sometimes necessary to manually change the data of a financial object.

Financial object

We can get familiar with the financial object by presenting the manual maintenance of financial objects. For manual maintenance of a financial object, use the Financial Object transaction (Transaction JBDO) and, for financial objects of ledger position, the Financial Object for Subledger Position and Sub-positions transaction (Transaction JBDO1), which you can find in each analyzer, under the heading TOOLS. The selection screen of these two transactions differs in the selection of a financial object. The detail view of the financial object, however, is identical.

Transactions  
for manual  
maintenance







**Process Financial Object: General Part**

Analysis (RM) Default Risk Limit Master Data External Key Figures Additional Data

Company Code: 0001  
Transaction: 10163

**General Data**

Transaction status: 2 Changed  
Product Type: 51A Fixed-Term Deposit  
Source System:

**Administrative Data**

Last Changed by: HESSMA Entered by: HESSMA  
Changed on: 05/24/2012 Entered On: 05/14/2012  
Time changed: 10:39:33 Entry Time: 19:39:10

**Figure 12.4** General Data for a Financial Object

**Structure and navigation**

From the display of the general data of the financial object, you can use the different buttons to jump to the parts of the financial object and other data storage (see Figure 12.4):

- ▶ Using the ANALYSIS (RM) and DEFAULT RISK LIMIT buttons, you can jump to the components of the financial object of the same names. The Profitability Analysis component is relevant only for SEM Banking. The MASTER DATA button takes you out of the maintenance transaction to the operational primary object or TRL primary object whose key you used to address the financial object.
- ▶ With the EXTERNAL KEY FIGURES button, you also leave the actual financial object. Here, you can enter key figures (amounts, quantities, and percentages) that are not themselves available in the system. These external key figures are used in the Credit Risk Analyzer module for attributable amount determination.
- ▶ The ADDITIONAL DATA button shows the actual financial object ID. In the interaction with the end user, however, a financial object is always addressed with the key of the assigned operational or TRL primary object, or with the values of the analysis characteristics.

**Relevant FO components**

Basically, the only things relevant to you as a user of the SAP Treasury and Risk Management Analyzers are the two financial object components:

Analysis (RM) and Default Risk Limit. Analysis (RM) stands for "Analysis in Risk Management." So, a financial object consists of multiple parts called components, which can be created and stored independent of one another. If you want to use the Market Risk Analyzer, Portfolio Analyzer, or Accounting Analyzer, you must create the Analysis (RM) Financial Object component. If you want to use the Default Risk Limit, you must create and maintain the Default Risk Limit Financial Object component. In the following two sections, we shed a little light on the information contained in these two financial object components.

### Financial Object Component Analysis (RM)

By clicking the ANALYSIS (RM) button shown in Figure 12.4, you can maintain the Financial Object component of the same name (see Figure 12.5). The attributes you can assign to a financial object here control access and the processing of this financial object in the Market Risk Analyzer, Portfolio Analyzer, and Accounting Analyzer. In the maintenance dialog (see Figure 12.5), you see multiple screen areas below the ID of the operational primary object. In the ANALYSIS PARAMETERS area, there are two very important parameters, the ANALYSIS ACTIVE INDICATOR and the VALUATION RULE.

Consumer

#### Analysis Active Indicator

The ANALYSIS ACTIVE INDICATOR makes a financial object visible for the evaluations of the Market Risk Analyzer, Portfolio Analyzer, and Accounting Analyzer.

Particularly in the introduction phase, due to incorrect settings in the derivation rules of financial object integration (see Section 12.2.5), this indicator may not be set, and the financial object may not be selected.

If you want to selectively deactivate or activate a series of financial objects, you can do this with the Edit Financial Object transaction (Transaction JBRFO), which you can find in the menu, under TOOLS • REORGANIZATION TOOLS • FINANCIAL OBJECT • MAINTAIN FINANCIAL OBJECT. You can also find similar functions in the transactions for mass processing of financial objects, which we introduce in Section 12.2.5, in the "Tools for Financial Object Integration" subsection.

[«]

<b>Financial Object Change: Analysis (RM)</b>			
<span>General</span> <span>Additional Data</span> <span>Default Risk Limit</span> <span>Master Data</span> <span>External Key Figures</span>			
Company Code	0001	SAP AG	
Transaction	10163		
Product Type	51A	Fixed-Term Deposit	
<b>Analysis Parameters</b>			
Analysis Active Indicator	<input checked="" type="checkbox"/>	Actv.	
Balance Sheet Indicator	0 Asset transaction		
Valuation Rule			
<b>Validity</b>			
Transaction Start	05/02/2012		
Transaction End	05/31/2016		
<b>Administrative Data</b>			
Last Changed By	HESSMA	Entered By	HESSMA
Changed On	05/24/2012	Entered On	05/14/2012
Changed At	10:39:33	Entered At	19:39:10
<b>Analysis Characteristics</b>			
Deal Type	<input type="checkbox"/>	Not assigned	
Contract Type	<input type="checkbox"/>	Not assigned	
Prod. Category	510	Fixed-term deposit	
Product Type	51A	FixTrmDep.	
Transactn Type	100	Investment	
Portfolio		Not assigned	
Transaction	10163		
ID Number		Not assigned	
Sec. Acct		Not assigned	
Futures Account		Not assigned	
Position Currency	USD	US Dollar	

**Figure 12.5** Detail Screen of Transaction JBDO and JBDO1 for Maintenance of the Analysis (RM) Component

**Valuation rules** Valuation rules can be defined in Customizing. There, you can store an ID and a name for a particular valuation rule—but not rules in the actual sense, which determine how the financial object is valued. Thus, the valuation rule, as an attribute of a financial object, is primarily a valuation grouping. Only when you make settings for valuation rule–specific processing in the evaluation type does the name *valuation rule* really take on any meaning. These specific settings then apply for all financial objects that have this valuation rule as an attribute in the Analysis (RM) Financial Object component (see Section 12.3.1).

In the VALIDITY area, you can limit the duration of validity of financial objects. Validity

#### Optimizing Access Duration through the Validity

[«]

The validity of a financial object is not used in any analytical question. So, it would be easy to just not fill it in. However, we still recommend diligence in filling it in, preferably with a few days extra at the beginning and end of the actual validity of the financial object. Correctly specified validity can be used to achieve a significant performance boost in your system.

Here's an example: consider a report in the Analyzers that uses the specified selection criteria to select and process a set of financial objects with their underlying financial-instrument positions. If a validity entry is available for the financial object and the date in question lies outside that validity, then even in the first selection step, before the selection is forwarded to the original data store in the Transaction Manager, the financial object can be filtered out of the selected set.

On the other hand, if you neglect to maintain validity entries, the central access logic has to consult the underlying financial instrument positions instead. Then, all flows are selected and totaled up by the selector in the Transaction Manager, only then to determine that the total is zero and that the position is irrelevant.

The result is the same for filled and unfilled validity. The second option, however, requires more time and capacity and thus puts load on the performance.

Below the ADMINISTRATIVE DATA area, you can view the ANALYSIS CHARACTERISTICS area. The analysis characteristics consist of the fields of the active analysis structure. How these are defined and maintained is explained in Section 12.2.3. Analysis characteristics

At this point, it is enough to know that you can define analysis characteristics without taking the operational entities of the Transaction Manager into consideration and that each financial object can be assigned its own characteristic values. These analysis characteristics are the only access entity in all evaluations in the Market Risk Analyzer, Portfolio Analyzer, and Accounting Analyzer. You can manually enter or edit the analysis characteristics here. As already mentioned, the derivation rules for characteristic derivation usually handle this task automatically in financial object integration (see Section 12.2.5).

## Default Risk Limit Financial Object Component

The financial object component for the default risk limit consists of the limit characteristics, evaluation parameters for attributable amount determination, transaction assignment for netting groups, and validity, which can be used to set the transaction start and transaction end (see Figure 12.6). You can use the CP RISK ACTIVE flag to activate the default risk limit for the financial object.

<b>Change of the Additional Limit Data for the Object</b>			
General    Additional Data    Analysis (RM)    Master Data    External Key Figures			
Company Code	0001		
Transaction	10163		
Product Type	51A		
<input checked="" type="checkbox"/> CP Risk Active			
<b>Limit Characteristics</b>			
Limit Product Group	<input type="checkbox"/>	Monitoring unit	<input type="text"/>
Rating	<input type="checkbox"/>	Business Partner	DEUBA
<b>Evaluation Parameters</b>			
Default Risk Rule	004000	Recovery Rate Class	32
<b>Transaction Assignment</b>			
Netting ID	<input type="text"/>	Collateral ID	<input type="text"/>
<b>Validity</b>			
Transaction Start CPR	<input type="text"/>	Trans. End CPR/CR	<input type="text"/>
<b>Administrative Data</b>			
Last Changed By	HESSMA	Entered By	HESSMA
Changed On	05/24/2012	Entered On	05/14/2012
Changed At	10:39:42	Entered At	19:47:57

**Figure 12.6** Detailed Screen of Transaction JBDO for Maintenance of the Default Risk Component



### Financial Objects and Default Risk Limit

The default risk limit financial component cannot be used for all financial objects. In particular, the default risk limit is not available for financial objects for ledger positions. The same applies to financial objects for class positions in futures accounts, lot-based futures account positions, and operational exposures.

## 12.2.3 Analysis Characteristics and Analysis Structure

**Usage** Now that we've seen the financial object, we want to introduce you to another important unit: the analysis structure and its analysis character-

istics. Analysis characteristics are concepts of order and classification, which you define according to your own criteria. They represent the characteristics by which you want to analyze your positions. As we already saw in the last section, the analysis characteristics are used as access entities in the interfaces of the Market Risk Analyzer, Portfolio Analyzer, and Accounting Analyzer. In Credit Limit, they play only a subordinate role. For more information about the use of analysis characteristics in Credit Limit, refer to Section 12.2.4.

Now, we want to enter a new analysis characteristic. We follow the individual steps to do so, starting with the definition of the characteristic itself and ending with the final characteristic in the financial object, which can be maintained and evaluated.

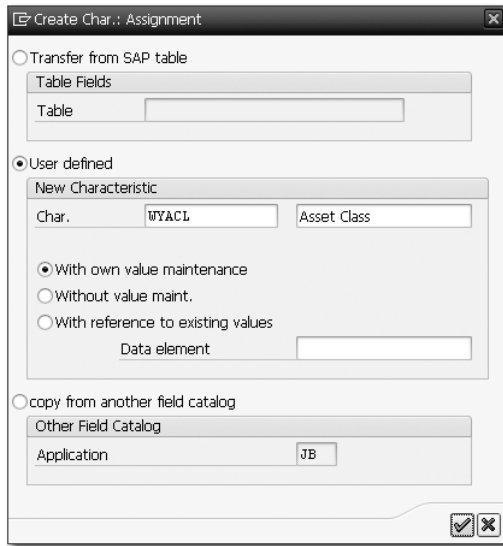
### Maintenance of Analysis Characteristics

The Define Analysis Characteristics transaction (Transaction TMA5) is used to maintain analysis characteristics. You can find this transaction in Customizing, under TREASURY AND RISK MANAGEMENT • BASIC ANALYZER SETTINGS • REPORTING CHARACTERISTICS • DEFINE ANALYSIS CHARACTERISTICS. On the initial screen (see Figure 12.7), you can go to the editor for existing characteristics in the CHOOSE CHARACTERISTICS area. Now, let's create a new characteristic.

**Figure 12.7** Initial Screen of Transaction TMA5 for Maintenance of Analysis Characteristics

### Creating a characteristic

The definition of an analysis characteristic is cross-client. The name must begin with "WY" and have four or five characters, if the characteristic is not taken from a table. We want to define a new characteristic for the asset class, an entity that has no operational counterpart. First, enter the ID "WYACL" in the CREATE CHARACTERISTIC area and click the CREATE/CHANGE button to get to a pop-up window (see Figure 12.8).



**Figure 12.8** Pop-Up to Select the Characteristics Reference when Creating a Characteristic

Creation can be done in two ways:

#### ► Transfer from SAP table

When displaying the tables, only table fields in the formats CHAR, NUMC, and CUKY can be selected. If the field name of the selected table field has five characters, the original name can be used.

#### ► User defined

You can also define the characteristic independently of existing fields.


In the case of a new definition of a characteristic without reference to an existing field in a table, you can choose from the following variants:

- ▶ You can define the characteristic to refer to an existing data element with its underlying characteristic values and its characteristic values and texts. To do this, select the WITH REFERENCE TO EXISTING VALUES radio button. If an existing data element should be assigned to the newly defined characteristic, the properties of the data element are inherited; that is, the same domain properties and the check and text tables will be used. If you want to give the analysis characteristic a different name from the data element, the reference to the data element must be deleted using the menu entry EDIT • DATA ELEMENT. Now, a data element is generated with the properties of the referenced data element, but with its own name.
- ▶ You can create the characteristic independently of existing entities. In that case, you can choose whether you want to have separate value maintenance or not. For reasons of consistency and usability (field validation), we recommend creating the characteristic with its own value maintenance (by selecting the WITH OWN VALUE MAINTENANCE radio button).

If no reference is made to an existing data element, the following elements will also be created: Data element, JRMC\_name, domain JRMC\_name, check table I81xx (xx is a sequential number), and text table I82xx.

Creation  
without reference

We select the option of own value maintenance and go on into the actual maintenance dialog (see Figure 12.9). As you see, there are only a few input fields. If different creation options are used, such as transfer from an SAP table, some of the other fields may already be filled in.

First, we enter the texts, which appear for our characteristic in the selection screens and headings (TEXTS area); specify the technical dictionary properties in the DICTIONARY area; and select the type of characteristic value display for searching in the FURTHER PROPERTIES area (in the DISPLAY OPT. attribute). After you click SAVE AND ACTIVATE (  ), all necessary dictionary objects are created. You can choose which number is used by the system for the generation of check and text tables (see Figure 12.10).



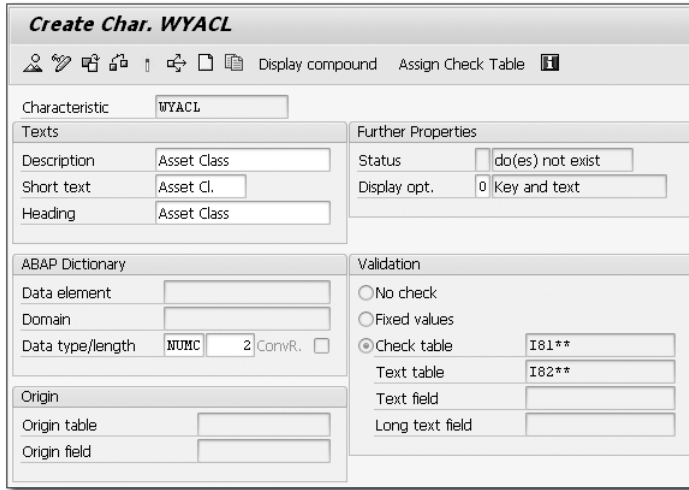


Figure 12.9 Main Maintenance Dialog of Transaction TMA5

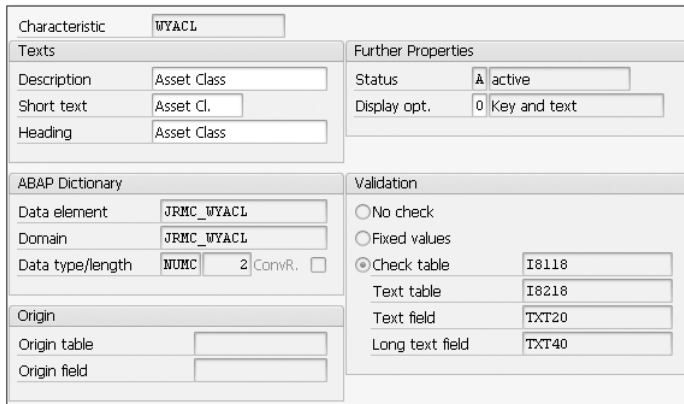


Figure 12.10 Detail Screen of an Active Characteristic with Its Own Manual Value Maintenance

**Compound characteristics**

If a characteristic value makes sense or can be uniquely defined only in combination with the value of another field, we have to create a *compound characteristic* using these two fields. For instance, a securities account is uniquely defined only in combination with its company code. In this case, the second field needed must be specified here. If you have taken such a field as the template for a characteristic, the additional key field must be available as an analysis characteristic. In the pushbutton

bar of the detail screen, a new button, DISPLAY COMPOUNDING, appears. You can use this button to display the compounding information.

After saving and activating, you can only change the display type of the characteristic and the texts in change mode. If a characteristic has not yet been assigned to an analysis structure and is also not a compounding characteristic for another analysis characteristic, it can be deleted.

Change options

### The Analysis Structure

The characteristics and their values form the selection criteria used to select financial instrument positions in evaluations and navigate through evaluations in the results display. To do this, the analysis characteristics are combined into a data structure, the *analysis structure*. The analysis structure thus forms the basis for the analysis part of the financial object. The analysis structure contains the categorizing attributes of a financial object visible in analyses. The analysis structure is a true dictionary structure, so it is client independent. To be able to use different analysis structures in parallel clients of the same system, you can define multiple analysis structures. You must then activate the analysis structure used for each client. For each client, there is always exactly one analysis structure activated. The term *activate* thus takes on two meanings, which we examine in more detail later. By assigning the analysis characteristics to the analysis structure, the usage of characteristics is client dependent.

Analysis structure

Now, let's define an analysis structure. You can find the Define Analysis Structure transaction (Transaction AFWA) in Customizing, under TREASURY AND RISK MANAGEMENT • BASIC ANALYZER SETTINGS • REPORTING CHARACTERISTICS. This takes you to the main screen for maintaining the analysis structure, from which you can reach all the detail screens (see Figure 12.11).

#### Apparent Equivalence of the Analysis Structures of the Analyzers and SEM Banking

[«]

Note that there is a structural difference in the analysis structure between the Analyzers of SAP Treasury and Risk Management and SEM Banking. In Customizing of SEM Banking, you can see a transaction for the maintenance of


the analysis structure (Transaction JBAP), which has an identical maintenance interface.

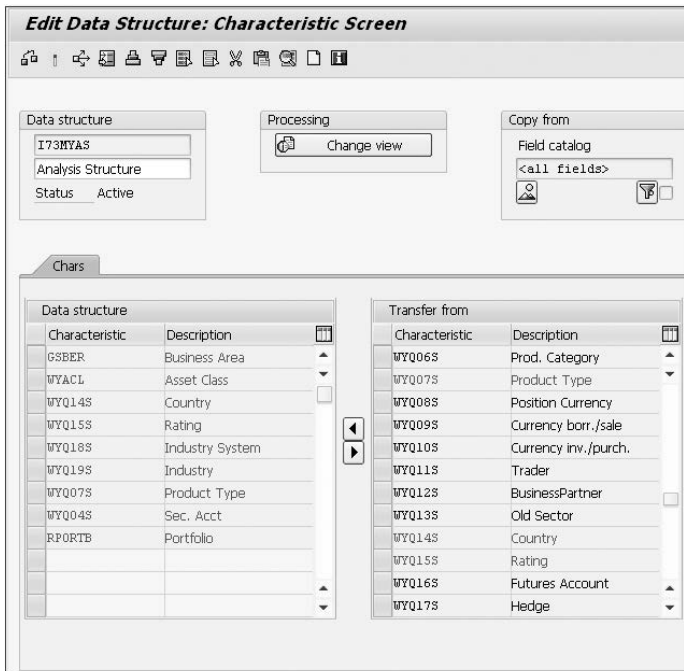
Internally, however, different specific settings are generated and propagated for each of the two applications so that analysis structures generated by Transaction JBAP cannot be used in the Analyzers. Technical framework conditions even allow the use of born of SAP Treasury and Risk Management and SEM Bankings within a client.

**Figure 12.11** Main Maintenance Screen of Transaction AFWA for the Maintenance of an Analysis Structure

### Defining an analysis structure

We want to define a new analysis structure, give it a four-character name (MYAS), and then use the CREATE button to go to the EDIT DATA STRUCTURE detail screen (see Figure 12.12). Here, you can define which of the characteristics you have already created should be part of the analysis structure. You can transfer the analysis characteristics from the COPY FROM CATALOG (right side of screen) into the DATA STRUCTURE of the ANALYSIS STRUCTURE (left side of screen) using the arrow icon (↔). As shown in Figure 12.12, you can select the analysis characteristics you want to use in your analysis structure. An analysis structure can contain, at most, 60 analysis characteristics. Only those characteristics that have status ACTIVE can be transferred. If you want to transfer an analysis

characteristic that is compounded with a second characteristic, the compounded characteristic is automatically also transferred into the analysis structure. You can also give your analysis structure a name. After saving, activate the data structure of the analysis structure using the ACTIVATE icon (  ). This generates and activates a whole set of tables, which you can see in the menu, under EXTRAS • STATUS INFORMATION • TABLE(S).



**Figure 12.12** Detail Screen of Transaction AFWA

For our technically interested readers, we want to give a brief overview of the entities generated for an analysis structure. Here, *xxxx* stands for the name of the analysis structure:

Environment of the analysis structure

► **I73xxxx**

Table with keys for client and financial object number that has all the characteristic values of the financial object in its value part

► **I74xxxx**

Table of the base portfolio characteristic pattern (combination of characteristic values for a view)

- ▶ **I75xxxx**  
Structure containing all the characteristics of an analysis structure used to build program-internal tables, especially for external data transfer and the construction of selection tables
- ▶ **I961xxxx**  
Result structure of the net present value view of an analysis structure for drill-down reporting
- ▶ **I963xxxx**  
GAP result structure
- ▶ **I791xxxx**  
Table of characteristic values for each individual RDB single record
- ▶ **/1TRIS/00xxxxnnnn**  
Utility program for the analysis structure, where *nnnn* stands for a counter incremented for each generation; contains all accesses to the generated tables

Taken together, these objects are called the *environment* or *program environment* of the analysis structure.



#### Special Role of the Company Code Analysis Characteristic

You may have already noticed that the analysis characteristic "Company Code" does not appear in Figure 12.12, even though we included the SAP delivery characteristics Securities account and Portfolio in the analysis structure. Both characteristics have references to the operational entities of the same names, which are both compounded with the company code. The characteristic Company code plays a special role within the analyzer and analysis structure. Each financial object needs the company code as a semantic key. This can also be seen from the fact that the company code is a general selection parameter in Figure 12.2, which is displayed in Figure 12.5 as header information for the Analysis (RM) part of the financial object. To achieve that, the characteristic Company code is always automatically a part of the analysis structure.

Characteristic  
selection

After activating the data structure, we return to the main screen (see Figure 12.11). In the CHARACTERISTICS SELECTION area, you can see three radio buttons:

► DATA STRUCTURES

This button takes you to the editor for the data structure we just discussed for an existing analysis structure.

► SELECTION SCREENS

This radio button can be used to select characteristics in the analysis structure for which an additional selection through characteristic values should be possible on the selection screens in the reports of the risk analysis.

► ENTER CHAR.

With this button, you can specify a display sequence for the value maintenance of the characteristic in the financial object for easier input. You can use drag-and-drop to sort and even hide characteristics by double-clicking in the sequence. The values of hidden characteristics are then filled only via characteristic derivation.

In the PROGRAM ENVIRONMENT area, you can generate Maintenance Modules for Characteristic Values. Maintenance UIs are generated for the entry of characteristic values for custom-defined characteristics with their own value maintenance. The maintenance and transport of characteristic values from custom characteristics with their own value maintenance is described in the next section. If the displayed log shows no error messages, leave the log display and return to the Maintain Analysis Structure (see Figure 12.11). Manual generation of other objects is usually not necessary. However, the OTHER OBJECTS button and the menu GOTO • GENERATE ENVIRONMENT give you the option of manually generating all relevant objects. Which capabilities you have can be found in the documentation for this Customizing activity.

Generating maintenance modules for characteristic values

In the final area, CURRENT ANALYSIS STRUCTURE IN CLIENT, you see whether the analysis structure just edited is the one that is active in the client where you are currently located. As we just created new analysis structure MYAS, this entry is still empty. In this area, you can now use the ACTIVATE button to activate the analysis structure just edited for the client account you are currently working in.

Activating an analysis structure in a client

### To Activate, or to Activate?

Note that the term *activate* appears twice in this transaction, with two different meanings.

[!]

- ▶ In the EDIT DATA STRUCTURE detail screen (see Figure 12.12), ACTIVATE means the generation and provision of all needed dictionary structures and program elements for an analysis structure, regardless of whether it is used in a client or not.
- ▶ In the main screen of the Maintain Analysis Structure transaction (Transaction AFWA; see Figure 12.11), on the other hand, ACTIVATE means the client-specific activation of this particular analysis structure from the set of all available analysis structures. This activation provides this analysis structure as the characteristic container for the financial objects. You can get an overview of all analysis structure by clicking the OVERVIEW button in the button bar above (see Figure 12.13). Unfortunately, this view doesn't show whether the client has any active analysis structure at all. To find that out, you must view each analysis structure individually using the Maintain Analysis Structure transaction (Transaction AFWA).

Be very careful with the action of activating an analysis structure (ACTIVATE in the main screen of Transaction AFWA, in the CURRENT ANALYSIS STRUCTURE IN CLIENT area).

If you are actively using analysis structure 1234 in a production system with existing financial objects, and you activate a second analysis structure ABCD, the second structure directly takes on the role of the active analysis structure, and the first analysis structure, 1234, is deactivated. The result is that you no longer see any financial objects at all because all the existing financial objects store their characteristic values in the tables of analysis structure 1234, which has just been deactivated. If you don't notice the error immediately and system operation continues without the analysis structure 1234 being reactivated, all new and changed financial objects write their data to the new data structures. The result will be an inconsistent system state. At some later point, you then notice that no financial objects except for new ones are being used. Because there is no reversal function of any kind, the repairs you then have to make are very tedious, lengthy, and expensive.

**Display View "Analysis Structure": Overview**

An...	Name	Sou...	Syst...	C	R T	Changed By	Changed On
MH11		QV6	CUS	1	<input type="checkbox"/>	HESSMA	01/09/2012
MHA1		QV6	CUS	1	<input type="checkbox"/>	HESSMA	12/21/2011
MYAS	Analysis Structure	QV6	CUS	1	<input type="checkbox"/>	HESSMA	05/16/2012
TEST		QV6	CUS	1	<input type="checkbox"/>	HESSMA	08/03/2011

**Figure 12.13** Overview of All Analysis Structures using the Overview Button in Transaction AFWA

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