



SAP Treasury and Risk Management (TRM)



SAP Knowledge Hub

We Are Here to Boost Your Career

Corporate Training || Classroom Training || Outsourcing



info@ambikeya.com||www.ambikeya.com||+917746805189

What is TRM in FSCM?

you can integrate cash flows, transactions, commodity positions, and market data, and optimize straight-through processing with full-view and real-time analysis, audit trails, and compliance reporting.

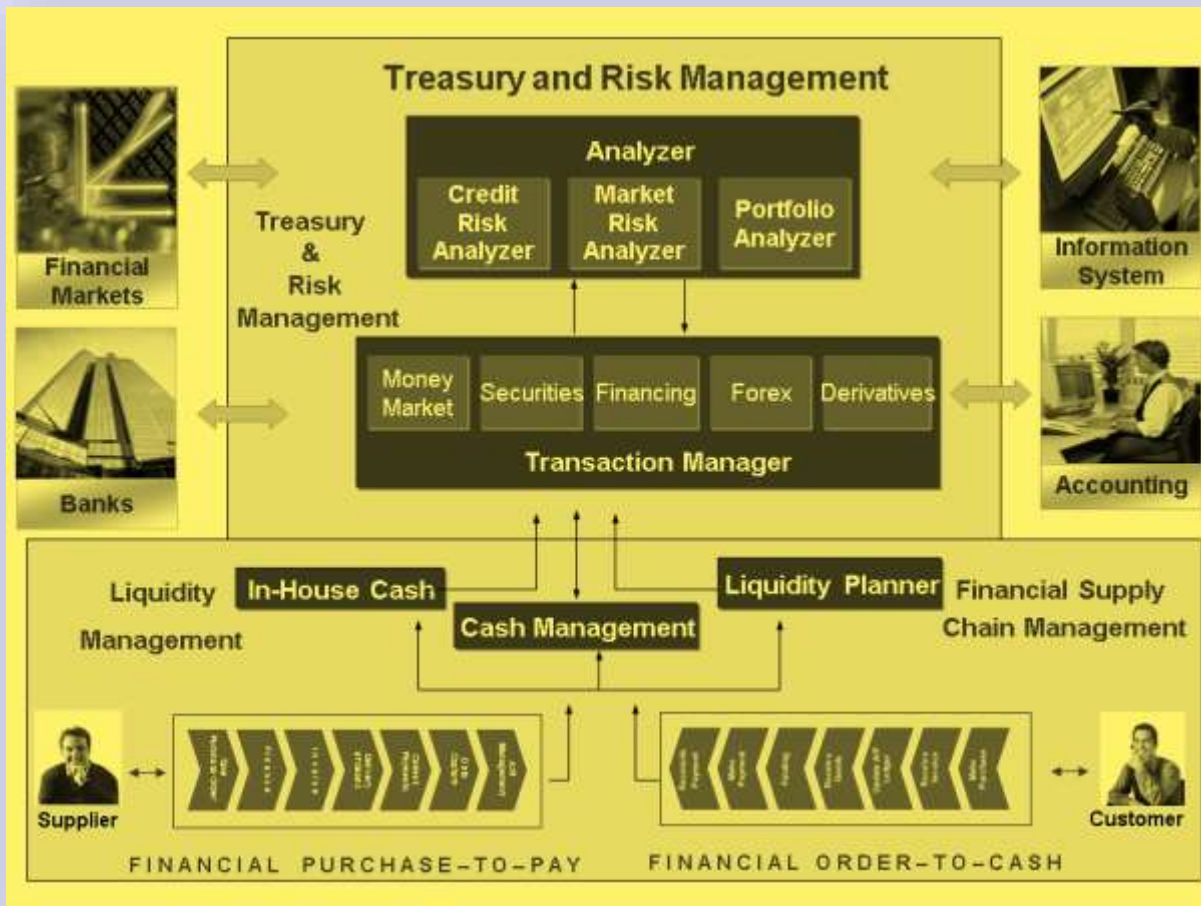
Benefits:

TRM offers a comprehensive solution to help organizations manage their financial risks and optimize their financial performance. Whether you are a treasury manager, risk analyst, or finance director, SAP TRM can help you streamline your processes and make better-informed decisions.

TRM Chapters:

1. Money market
2. Foreign Exchange
3. Securities
4. Listed Derivatives.
5. OTC Derivatives
6. Market Risk Analyzer.
7. Credit Risk Analyzer.
8. Portfolio Analyzer.

TRM ORG Structure:



SAP TRM Configuration process

SPRO->Financial Supply Chain Management->Treasury and Risk Management->Basic Functions->Business Partner->Basic Settings->Business Partner Roles->Define BP Roles>

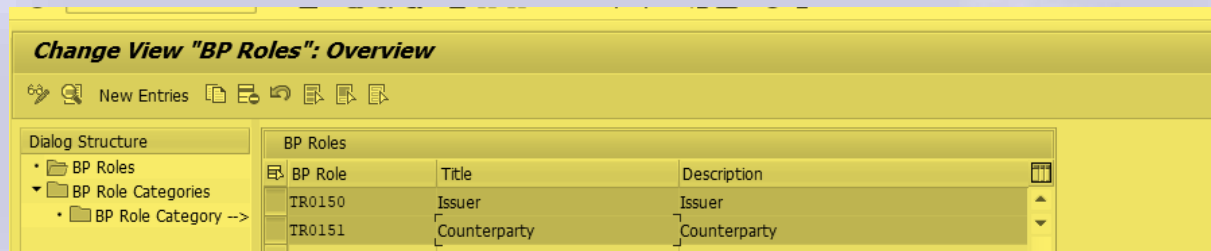
What is BP:

- In SAP S/4 HANA, Business Partner is the leading object and single-entry point to maintain Business Partner, Customer, and Supplier (formerly known as Vendor) master data.
- Business Partner allows maintenance of multiple addresses with corresponding address usages.

Business partner standard role to TRM:

Point one: TR0150=Issuer

Point two: TR0151=Counterparty



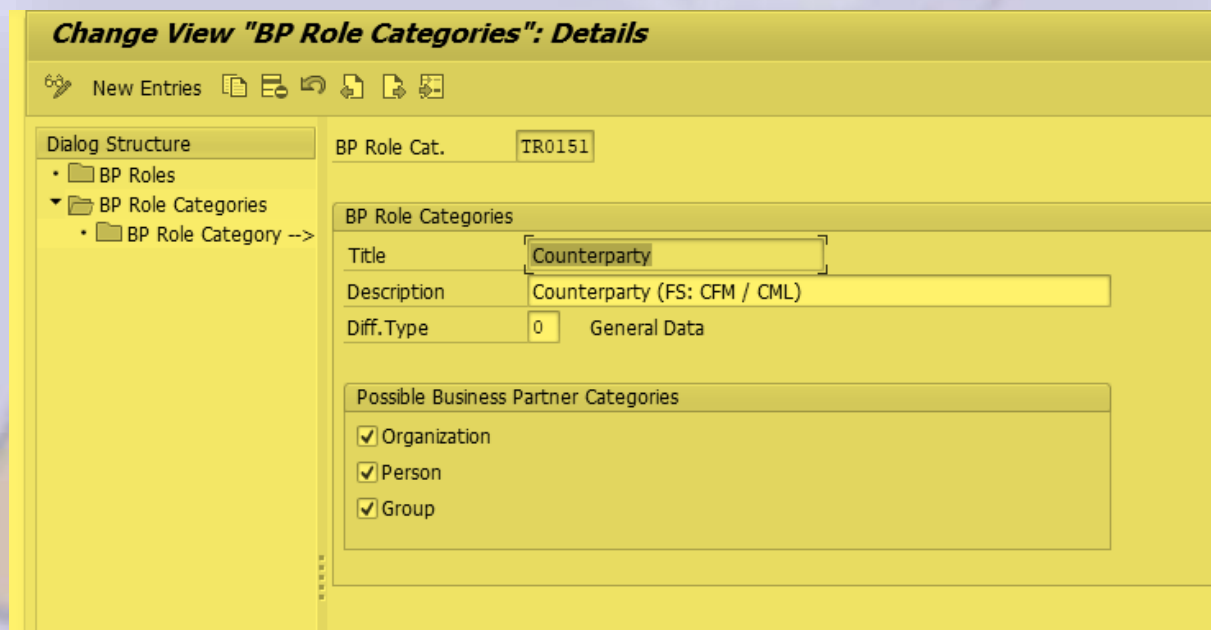
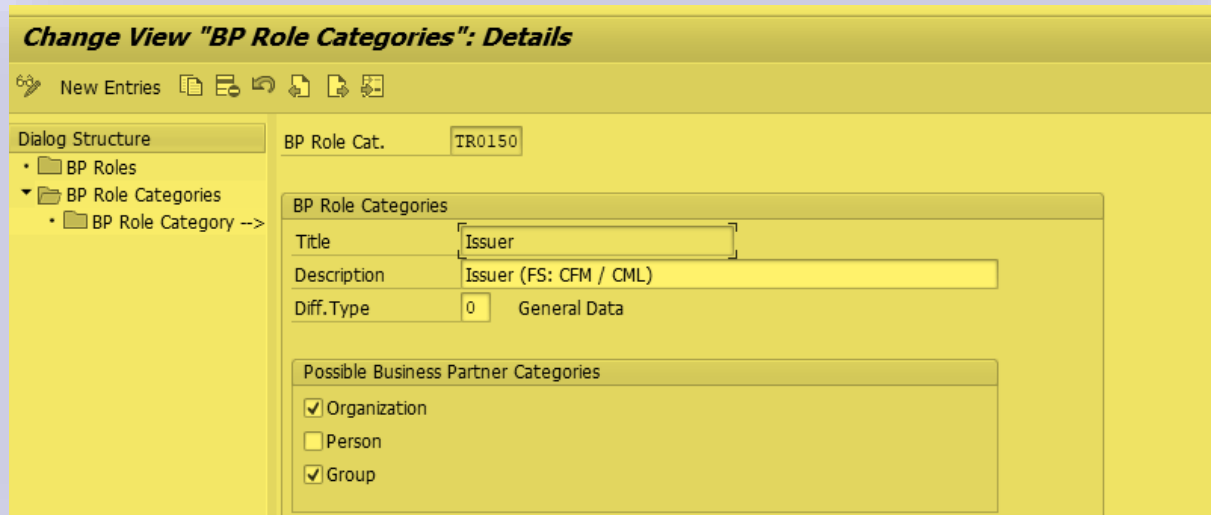
BP Role	Title	Description
TR0150	Issuer	Issuer
TR0151	Counterparty	Counterparty

What is counterparty in SAP TRM.

A customer purchases goods or services from a counterparty. As part of the transaction, the consumer also becomes a counterparty. For example, a customer buying gas at a gas station is the counterparty to the gas station, while the gas station is the counterparty to the customer. It always requires a buyer (customer) and a seller (gas station) to complete a transaction.

What is issuer in TRM:

When a Borrower's Note Loan is granted, the borrower must be assigned to the business partner role of Issuer.



What is organization in BP:

- Legal entity or part of a legal entity, for example, company, department in a company, club, or association

What is person in SAP BP;

Change View "BP Role Groupings": Overview

New Entries

Dialog Structure

- BP Role Groupings
 - BP Role Groupings --:
 - BP Role Grouping Categ

BP Role Groupings		
Role Gr.	Title	Description
TR0150	Issuer	Issuer
TR0151	Counterparty	Counterparty

- Person: Form of address, first and last name, other name components (such as name prefixes and affixes and academic title), gender
- Example: Natural person (private individual)

What is group in BP:

- married couple, shared living arrangement.
- SPRO->Financial Supply Chain Management->Treasury and Risk Management->Basic Functions->Business Partner->Basic Settings->Business Partner Roles->Define BP Role Groupings

SPRO->Financial Supply Chain Management->Treasury and Risk Management->Basic Functions->Business Partner->Basic Settings-> Number Ranges and Groupings->

Maintain Intervals: Business partner

N. From No. To Number NR Status Ext

01	0000000001	0000799999	541332	
----	------------	------------	--------	--

SPRO-> CrossApplication Components-> Master Data Synchronization-> Customer/Vendor Integration-> Business Partner Settings-> Settings for Customer Integration-> Field Assignment for Customer Integration-> Assign Keys-> Define Number Assignment for Direction BP to Customer.

Change View "Number Assignment for Direction BP to Customer": Overview

New Entries

Number Assignment for Direction BP to Customer				
Gr...	Short name	Ac...	Name	Same Nu...
0001	.no.assgnmnt	DEBI	Customer (general)	<input type="checkbox"/>

What is Money market in SAP TRM.

Front Office means creation to FTR_CREATE Deal

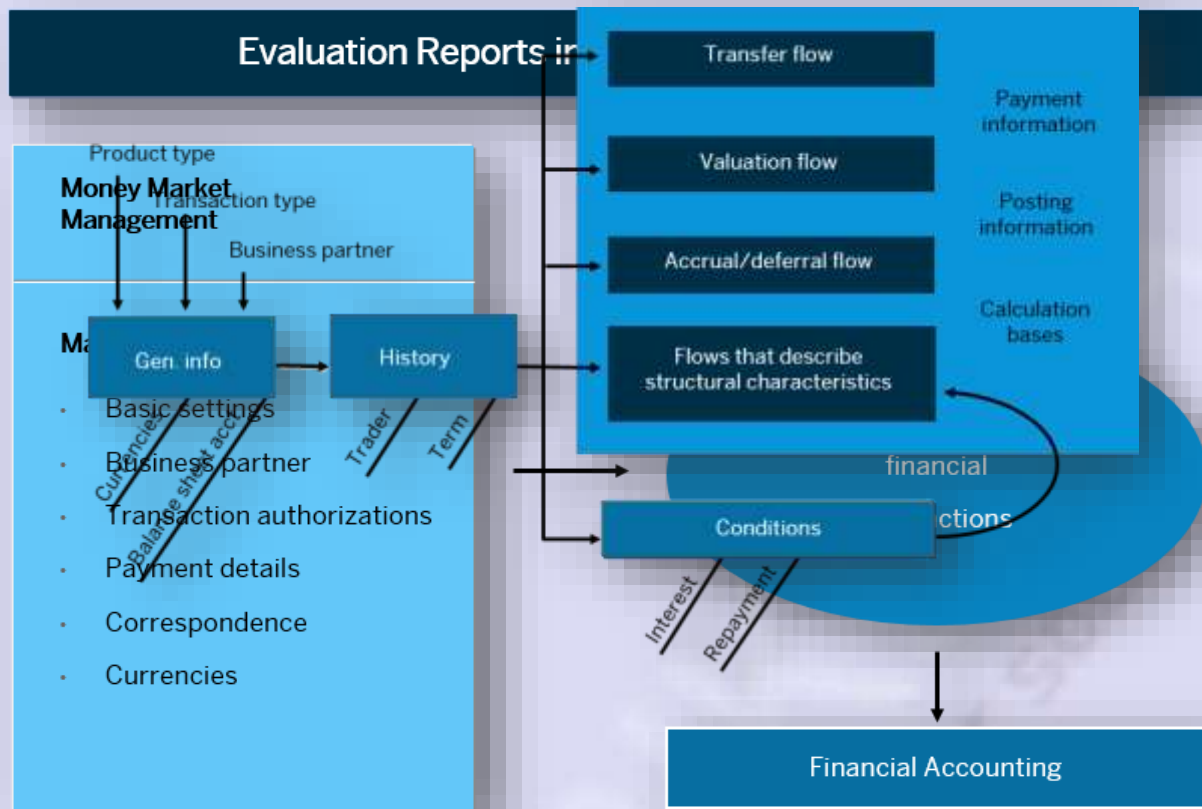
- Fixed-Term Deposits
- Deposits at Notice
- Commercial Papers
- Interest Rate Instruments
- Cash Flow Transactions
- Facilities

Back office: Deal settlement in FTR_EDIT

Once financial transactions have been entered, they are settled in the back office. The key aspects of post processing are as follows:

- Entering additional transaction data, such as adding information that is relevant for back-office processing
- Preparing for posting and payment, for example, by checking the accounts used

Accounting: TBB1 tcode financial transaction Generate.



Once you have entered, checked, and completed the transactions, you then have submit them to Accounting for processing. The accounting area includes functions for transferring data to Financial Accounting, such as posting reports or position management postings. It also includes functions for parallel valuation.

Flow Chart.

What is Foreign exchange in SAP TRM:

Foreign exchange covers all the business processes arising from both classical currency trading and trading with OTC currency options. This process spans the whole trading process, starting from entering the transaction, processing it, and transferring the data to Financial Accounting. A range of evaluation options is also available for reporting purposes.

Example:



- Spot exchange and forward exchange transactions
- Forex swap transactions
- OTC currency options

Foreign exchange creation at FTR_CREATE

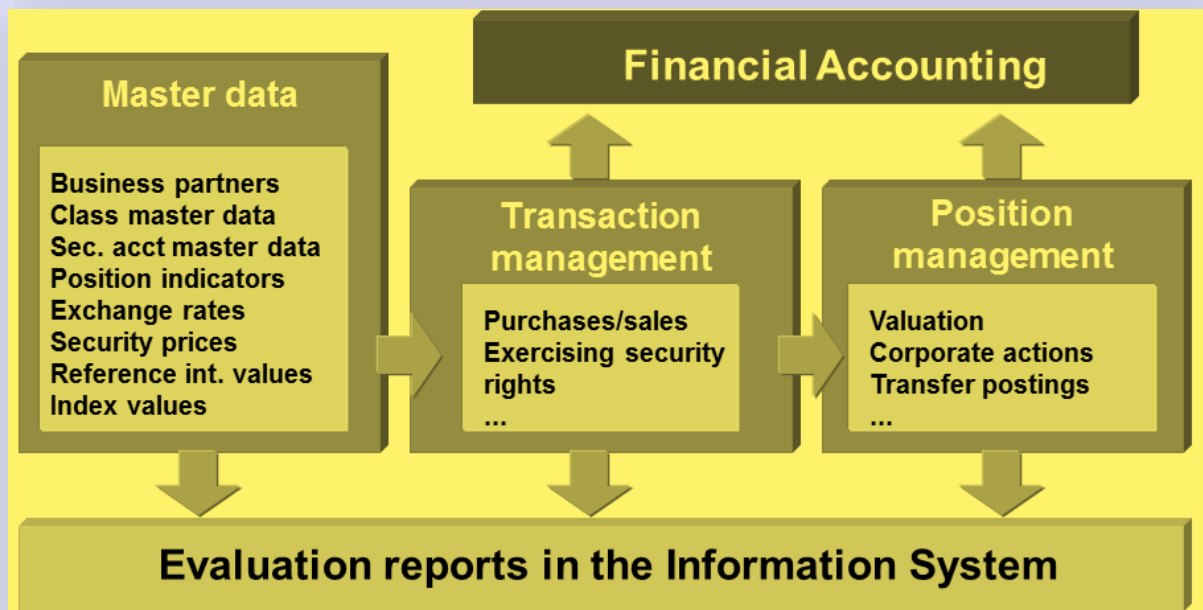
Deal settlement in FTR_EDIT

Accounting TBB1

What is securities:

You can maintain current market data (exchange rates, securities prices, reference interest rates, indexes etc.)

- Investing in Stocks



- Fixed-interest bonds
- Floating-rate notes
- Zero-coupon bonds

Front office Creation FTR_CREATE

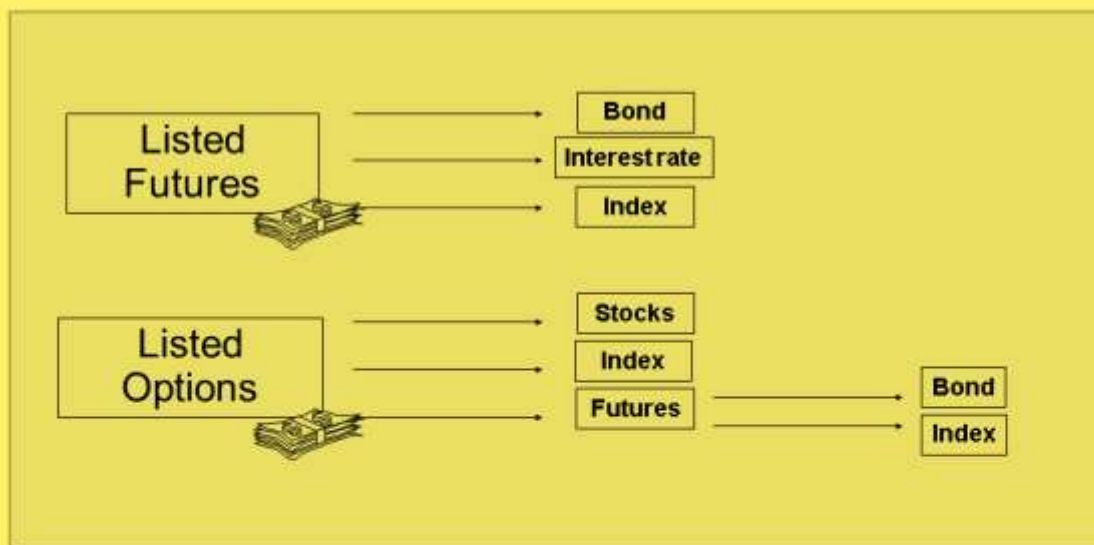
Back office: FTR_EDIT

Accounting: TBB1.

Listed Derivatives.

Listed options and futures are standard forward transactions that are traded on exchanges.

Swaps

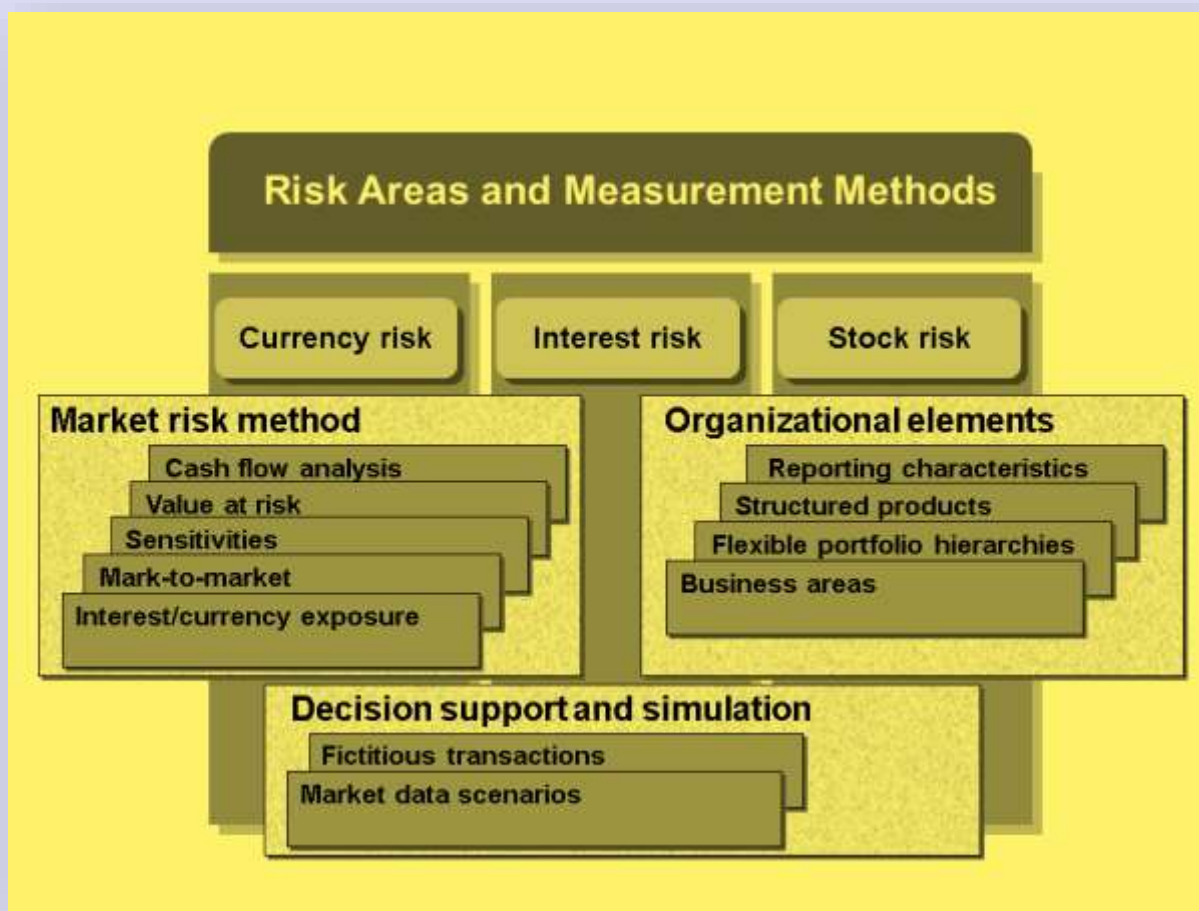


- Interest rate swap
- Currency swap
- Discount swap
- Compound swap

OTC Derivatives: (Over-the-counter (OTC)

OTC deals are the result of discussion and negotiation between two parties, without the intervention and/or regulation of a market-exchange. The terms and conditions of the trades are completely deal-specific and are formalized by a legal document called the confirmation document

Examples:



An example of OTC trading is a share, currency, or other financial instrument being bought through a dealer, either by telephone or electronically. Business is typically conducted by telephone, email and dedicated computer networks

Market Risk Analyzer:

market risk management is a decisive factor in securing your company's competitive position.. In this field, the Market Risk Analyzer offers extensive position evaluations, such as mark-to-market valuations of financial transactions.

calculating risk and return figures, including exposure, future values, sensitivities and value at risk.

Credit Risk Analyzer:



The Credit Risk Analyzer focuses on measuring, analysing and controlling counterparty default risk.

Default risk refers to the potential loss arising from a financial transaction should the business partner not fulfil his contractual obligations either due to specific, economic or political reasons.

Counterparty/issuer risk describes the danger of a loss in the value of a receivable due to a worsening of the creditworthiness of the business partner.

Portfolio Analyzer:

Given that the funds available for investment are usually limited, and that there are numerous investment options to choose from, the crucial question for investment policy decisions is how well the investments have actually performed.

Methods for Calculating the Rate of Return

For the calculation of rate of return, the Portfolio Analyzer offers methods for calculating time-weighted rate of return (TWRR) and money-weighted rate of return (MWRR).

Benchmarking: you can manage benchmarks and compare them with the calculated rates of return for any



THANK YOU



- **Corporate Training**
- **Instructor LED Training**
- **Seminars & Workshop Internship**
- **Mock Interview**
- **Customised Courses**
- **Project Support For Implementation**
- **Staff Augmentation And Talent**



SAP Knowledge Hub