

R/3 SYSTEM

In your role as treasurer, you need to be in a position to monitor and manage the entire financial risk position of your company at all times. With the SAP® Market Risk Management component, TR-MRM, fully integrated into the operative R/3 systems, you can value your financial portfolios on a mark-to-market basis and analyze the resulting interest rate and currency exposures.

IN FOCUS...

TR-MRM MARKET RISK MANAGEMENT

SHED LIGHT ON THE MARKET RISKS OF YOUR FINANCIAL PRODUCTS TO BE SURE OF MAKING THE RIGHT DECISION

Scenario	Forward data fro	Real pos.	Real+fact1	Real+fact2
STRONG_DEM	Deutschmark rise	7,177,600.00	7,194,700.00	7,017,100.00
		8,010,000.00	7,187,600.00	7,010,000.00
		0.00	0.00	0.00
		0.00	0.00	0.00

FI/2	PTyp	TrT	Volume	D	Curr	Strike/Fwd	Expiry	Premium
<input type="checkbox"/>	600	100	10,000,000.00	+	DEM	0.71776	03/31/1996	
<input checked="" type="checkbox"/>	761	100	10,000,000.00	+	DEM	0.70000	03/31/1996	390,737.84
<input type="checkbox"/>								

USE THE VAST INFORMATION POTENTIAL OF YOUR FULLY INTEGRATED OPERATIVE SYSTEMS

The SAP Cash Management package, TR-CM, and the SAP Treasury Management package, TR-TM, lay the foundations of your database for controlling market risks in the TR-MRM component. TR-CM provides you with a platform for daily cash management decisions for the short and medium term as well as for long-term financial budgeting. By displaying your company's current liquidity position, its interest rate and currency exposures and keeping track

of prevailing conditions in the money, capital and foreign exchange markets, you are able to decide which spot, forward and option deals to make in which currencies. TR-TM guarantees integrated processing from start to finish, from trading through back office activities and on to the accounting department.

UPLOAD MARKET DATA BY AUTOMATIC DIGITAL FEED

In today's business world, the conventional method of entering up-to-the-minute market data by hand is no longer feasible, especially when it

comes to valuing derivatives. In the TR-MRM application, you have a direct link to a fully automated digital data feed, which supplies all the current market data required for your specific evaluations via a data server.

MARK-TO-MARKET REVALUATION OF FINANCIAL INSTRUMENTS

TR-MRM values your financial products on the basis of up-to-date market data, enabling you to successfully diversify your risks. Financial assets are valued at the price they would bring in the market, while all financial liabilities, such as written options, are valued at



TR-MRM MARKET RISK MANAGEMENT

the repurchase price demanded by the market. Forecasts or reviews of your portfolio performance are handled in the same way. Using various levels of aggregation, you have an instant overview of your portfolios.

ASSESS YOUR RISKS USING WHAT-IF AND WORST-CASE ANALYSES

All trading decisions are based on assumptions about future trends. In TR-MRM, you establish a library of these assumptions in the form of precisely quantified scenarios. When defining scenarios, you are free to select your own values, which may be derived from either historical or current market data. Based on either prevailing market data or your own scenarios, you evaluate your portfolios by performing various analyses, such as net present value, internal rate of return, liquidity trends, effective rate, sensitivities. Here too, you can aggregate holdings on various levels, from single trades through to the company's entire portfolio.

SIMULATED FICTITIOUS TRADES FOR PROFESSIONAL HEDGING DECISIONS

As market conditions change, the risk situation and predictions of future market trends tend to vary too. In this case, you need to make adjustments to your portfolios. With TR-MRM, you can generate fictitious deals and evaluate

them along with your portfolio of actual deals. As a result, you can immediately assess the impact of a hedge transaction, such as a currency option, on the risk profile of your exposure. By simulating various courses of action, you can be sure to create the right hedging strategy for your portfolio.

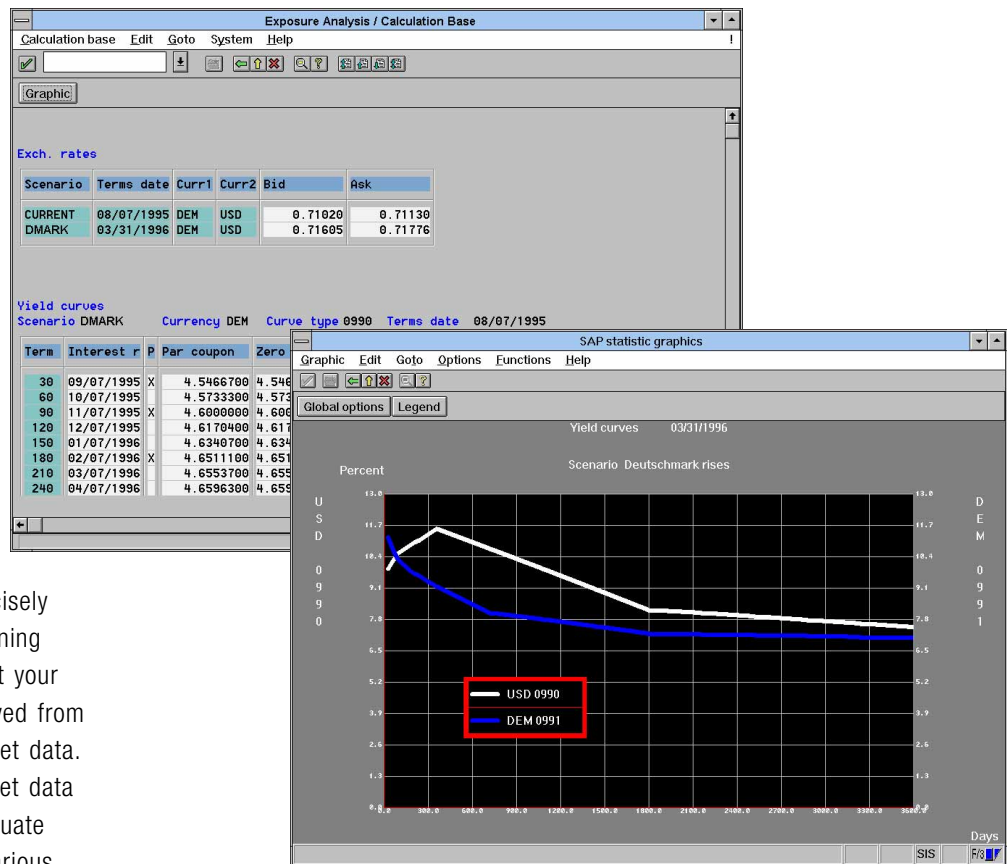
TECHNOLOGY AND SERVICE

R/3 software is based on Client/Server Architecture. R/3 is designed as an open system for use on operating systems from a variety of vendors. Along with the software, SAP offers

you a complete spectrum of services: professional consulting in organizational and technical issues ranging from project planning to system implementation, qualified staff training, and 24-hour hotline support.

SAP's quality management system for software development meets the international ISO 9001 standards.

Find out more. Just call or write us.



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